

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
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Independent Auditor's Report

To the Members of Dalmia Promoters and Developers Private Limited

Report on the Financial Statements

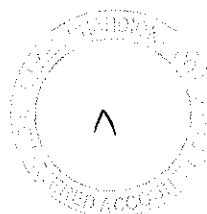
1. We have audited the accompanying financial statements of Dalmia Promoters and Developers Private Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes 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 March 31, 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.

Other Matter(s)

9. The Company had prepared separate sets of statutory financial statements for the year ended March 31, 2016 and March 31, 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 May 25, 2016 and May 18, 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 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 March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act;



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- f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated May 23, 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:
- i. the Company does not have any pending litigation which would impact 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; and
 - iv. the Company, as detailed in Note 11 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 November 8, 2016 to December 30, 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

Nitin Kohli

per **Nitin Kohli**

Partner

Membership No.: 507771



Place: Gurugram

Date: May 23, 2017

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Annexure A to the Independent Auditor's Report of even date to the members of Dalmia Promoters And Developers Private Limited, on the financial statements for the year ended March 31, 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) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) 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 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) 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 product/services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
(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.
- (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.



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

- (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 Chandiook & Co LLP

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Nitin Kohli

per **Nitin Kohli**

Partner

Membership No.: 507771



Place: Gurugram

Date: May 23, 2017

Walker Chandiook & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Dalmia Promoters and Developers Private Limited on the financial statements for the year ended March 31, 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 Dalmia Promoters and Developers Private Limited ("the Company") as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Company as of that date.

Management's Responsibility for Internal Financial Controls

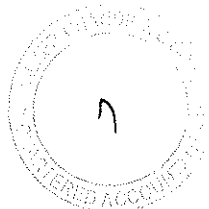
2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal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



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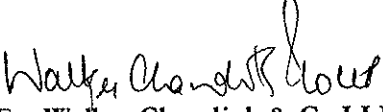
Annexure B to the Independent Auditor's Report of even date to the members of Dalmia Promoters and Developers Private Limited on the financial statements for the year ended March 31, 2017

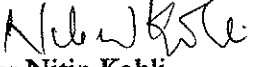
Inherent Limitations of Internal Financial Controls over Financial Reporting

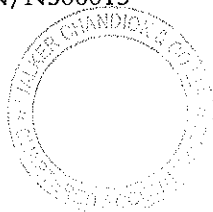
7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk 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 March 31, 2017, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.


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


per **Nitin Kohli**
Partner
Membership No.: 507771



Place: Gurugram
Date: May 23, 2017

Dalmia Promoters and Developers Private Limited
Balance sheet as at March 31, 2017

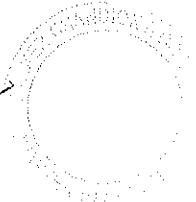
	Notes	As at March 31, 2017 (₹ in lakhs)	As at March 31, 2016 (₹ in lakhs)	As at April 1, 2015 (₹ in lakhs)
ASSETS				
Non-current assets				
Financial assets				
Loans	5	26.53	23.36	20.59
Deferred tax assets	6	39.66	39.66	39.66
Non-current tax assets (net)	7	7.22	7.20	7.20
Other non-current assets	8	16.81	21.01	25.21
		<u>90.22</u>	<u>91.23</u>	<u>92.66</u>
Current assets				
Inventories	9	744.47	744.47	744.47
Financial assets				
i) Investments	10	0.05	0.07	0.07
ii) Cash and cash equivalents	11	4.21	11.73	17.17
Other current assets	12	4.22	4.21	4.21
		<u>752.95</u>	<u>760.48</u>	<u>765.92</u>
		<u>843.17</u>	<u>851.71</u>	<u>858.58</u>
EQUITY AND LIABILITIES				
Equity				
Equity share capital	13	10.00	10.00	10.00
Other equity		(1,235.43)	(1,019.31)	(824.85)
		<u>(1,225.43)</u>	<u>(1,009.31)</u>	<u>(814.85)</u>
Non-current liabilities				
Financial liabilities				
Other financial liabilities	14	85.16	75.03	66.13
Other non current liabilities	15	23.40	35.08	58.43
		<u>108.56</u>	<u>110.11</u>	<u>124.56</u>
Current liabilities				
Financial liabilities				
i) Borrowings	16	1,748.73	1,562.73	1,378.98
ii) Trade payables	17	1.09	1.08	0.91
iii) Other financial liabilities	18	193.07	170.54	151.96
Other current liabilities	19	17.15	16.56	17.02
		<u>1,960.04</u>	<u>1,750.91</u>	<u>1,548.87</u>
		<u>843.17</u>	<u>851.71</u>	<u>858.58</u>
Significant accounting policies	4			

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

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

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

Nitin Kohli
per Nitin Kohli
Partner



Place : Gurugram
Date : May 23, 2017

For and on behalf of the Board of Directors

Ramesh Chandra Gupta
Ramesh Chandra Gupta
Director
DIN - 7327339

Atul Goyal
Atul Goyal
Director
DIN - 00007991

Place - Gurugram
Date : May 17, 2017

Dalmia Promoters and Developers Private Limited
Statement of Profit and Loss for the year ended March 31, 2017

	Notes	Year ended March 31, 2017 (₹ in lakhs)	Year ended March 31, 2016 (₹ in lakhs)
Revenue			
Other income	20	15.08	14.52
		<u>15.08</u>	<u>14.52</u>
Expenses			
Finance costs	21	228.85	202.63
Other expenses	22	2.33	6.35
		<u>231.17</u>	<u>208.98</u>
Loss before tax		<u>(216.10)</u>	<u>(194.46)</u>
Tax expense	23	-	-
Loss after tax and for the year		<u>(216.10)</u>	<u>(194.46)</u>
Other comprehensive income			
Items that will not be reclassified to profit or loss			
i) Net loss on FVOCI equity instruments		(0.02)	-
Income tax relating to net loss on FVOCI equity instruments		-	-
Total comprehensive loss for the year		<u>(216.12)</u>	<u>(194.46)</u>
Loss per equity share			
Basic (₹)	24	(216.10)	(194.46)
Diluted (₹)		(216.10)	(194.46)
Significant accounting policies	4		

The accompanying notes are an integral part of the financial statements

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

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

Nitin Kohli
per Nitin Kohli
Partner



Place : Gurugram
Date : May 23, 2017

For and on behalf of the Board of Directors

Ramesh Chandra Gupta
Ramesh Chandra Gupta
Director
DIN - 7327339

Atul Goyal
Atul Goyal
Director
DIN - 00007991

Place:- Gurugram
Date - May 17, 2017

2A

Dalmia Promoters and Developers Private Limited
Cash Flow Statement for the period ended March 31, 2017

	Year ended March 31, 2017 (₹ in lakhs)	Year ended March 31, 2016 (₹ in lakhs)
A. Cash flow from operating activities :		
Loss before tax	(216.10)	(194.46)
Adjustment for :		
Interest income	(14.85)	(14.48)
Unclaimed balance and excess provision written back	-	(0.04)
Interest expense	228.85	202.63
Operating loss before working capital changes	(2.10)	(6.35)
Movement in working capital :		
Increase/(decrease) in trade payables and other current liabilities	0.60	(11.94)
Cash flow used in operating activities	(1.50)	(18.29)
Income tax paid (net of refunds)	(0.02)	-
Net cash flow used in operating activities (A)	(1.52)	(18.29)
B. Cash flow from investing activities:		
Net cash flow from investing activities (B)	-	-
C. Cash flow from financing activities :		
Proceeds from borrowings	1,036.00	183.75
Repayment of borrowings	(850.00)	-
Interest paid	(192.00)	(170.90)
Net cash used in financing activities (C)	(6.00)	12.85
D. Net decrease in cash and cash equivalents (A) + (B) +(C)	(7.52)	(5.44)
Cash and cash equivalents as at the beginning	11.73	17.17
Cash and cash equivalents as at the end (refer note 11)	4.21	11.73
	(7.52)	(5.44)

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

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

Nitin Kohli
per Nitin Kohli
Partner



Place : Gurugram
Date : May 23, 2017

For and on behalf of the Board of Directors

Ramesh Chandra Gupta
Ramesh Chandra Gupta
Director
DIN - 7327339

Atul Goyal
Atul Goyal
Director
DIN - 00007991

Place - Gurugram
Date - May 17, 2017

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Dalmia Promoters and Developers Private Limited
Statement of changes in equity for the year ended March 31, 2017

A Equity share capital* (₹ in lakhs)

Particulars	Opening balance as at April 1, 2015	Balance as at March 31, 2016	Balance as at March 31, 2017
Equity share capital	10.00	10.00	10.00

B Other equity (₹ in lakhs)

Description	Reserves and Surplus		Total
	Other comprehensive income reserve	Retained earnings	
Balance as at April 1, 2015	-	(824.85)	(824.85)
Loss for the year	-	(194.46)	(194.46)
Balance as at March 31, 2016	-	(1,019.31)	(1,019.31)
Loss for the year	(0.02)	(216.10)	(216.12)
Balance as at March 31, 2017	(0.02)	(1,235.41)	(1,235.43)

*Refer note 13

Nature and purpose of reserves

Other Comprehensive Income(OCI) reserve

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

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

Nitin Kohli
per Nitin Kohli
Partner

Place : Gurugram
Date : May 23, 2017

For and on behalf of the Board of Directors

Ramesh Chandra Gupta
Ramesh Chandra Gupta
Director
DIN - 7327339

Atul Goyal
Atul Goyal
Director
DIN - 0000991

Place - Gurugram
Date - May 17, 2017

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Dalmia Promoters and Developers Private Limited

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

1. Corporate Information

Nature of operations

Dalmia Promoters and Developers Private Limited ('the Company') is engaged primarily in the business of real estate development.

General information and statement of compliance with Ind AS

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

The financial statements for the year ended March 31, 2017 were authorized and approved for issue by the Board of Directors on May 17, 2017.

2. 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 and share based payments which are measured at fair values as explained in relevant accounting policies. Fair valuations related to financial assets and financial liabilities are categorised into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable.

2. 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 April 1, 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.

3. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.



Dalmia Promoters and Developers Private Limited

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

a) 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.

b) Revenue recognition

Revenue from real estate projects

Revenue from real estate projects under development is computed on the percentage of completion method. Revenue is recognized in the financial year in which the agreement to sell or application forms (containing salient terms of agreement to sell) is executed, on the percentage of completion method which is applied on a cumulative basis in each accounting year to the current estimate of contract revenue and related project costs, once the conditions specified in 'Guidance Note on Accounting for Real Estate Transactions' are satisfied.

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.

Unbilled receivables

Unbilled receivables represents revenue recognized based on percentage of completion method as per policy on revenue from real estate projects. The amount represents excess of revenue recognised over and above the amount due as per the payment plans agreed with the customers.

c) Cost of revenue

Cost of real estate projects

Cost of constructed properties includes cost of land (including cost of development rights/land under agreements to purchase), estimated internal development costs, external development charges, cost of development rights, construction and development cost, borrowing cost, construction materials, which is charged to the statement of profit and loss based on the percentage of completion method as explained in accounting policy for revenue from real estate projects above, in consonance with the concept of matching costs and revenue. Final adjustment is made on completion of the applicable project

d) 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. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

e) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. 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.

Dalmia Promoters and Developers Private Limited

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

f) 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 – A ‘debt 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.

ii. Equity investments – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

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. These liabilities are classified amortised cost.

Subsequent measurement

These liabilities include borrowings and deposits. 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.

Dalmia Promoters and Developers Private Limited

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

g) 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, which requires lifetime expected credit losses to be recognised for trade receivables.

Other financial assets

For recognition of impairment loss on other financial assets, 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.

h) Investments

Investments are classified as non-current or current, based on management's intention at the time of purchase. Investments that are readily realisable and intended to be held for not more than a year are classified as current. All other investments are classified as non-current.

Profit/loss on sale of investments is computed with reference to the average cost of the investment.

i) Inventories

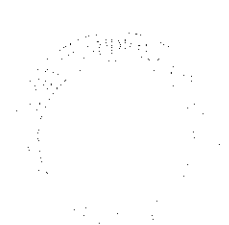
Inventories are valued at lower of cost/approximate average cost and net realisable value. Cost includes land cost, interest and other direct cost paid during the development stage. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs of necessary to make the sale.

j) Income taxes

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized 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 statement of profit and 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 loss 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.



Dalmia Promoters and Developers Private Limited

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

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 and loss (either in other comprehensive income or in equity).

k) 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.

l) 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.

m) 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.

n) 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 Company's future taxable income against which the deferred tax assets can be utilized.



Dalmia Promoters and Developers Private Limited

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

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.

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

Revenue and inventories – The Company recognises revenue using the percentage of completion method. This requires forecasts to be made of total budgeted cost with the outcomes of underlying construction and service contracts, which further require assessments and judgements to be made on changes in work scopes, claims (compensation, rebates etc.) and other payments to the extent they are probable and they are capable of being reliably measured. For the purpose of making estimates for claims, the Company used the available contractual and historical information.

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Dalmia Promoters and Developers Private Limited

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

	As at March 31, 2017 (₹ in lakhs)	As at March 31, 2016 (₹ in lakhs)	As at April 1, 2015 (₹ in lakhs)
5 Loans- non current			
Earnest money due from Edward Keventer (Successors) Private Limited, a fellow subsidiary	26.53	23.36	20.59
	<u>26.53</u>	<u>23.36</u>	<u>20.59</u>
6 Deferred tax assets			
MAT credit entitlement	39.66	39.66	39.66
	<u>39.66</u>	<u>39.66</u>	<u>39.66</u>
7 Non current tax assets (net)			
Prepaid taxes	7.22	7.20	7.20
	<u>7.22</u>	<u>7.20</u>	<u>7.20</u>
8 Other non-current assets			
Prepaid expense	16.81	21.01	25.21
	<u>16.81</u>	<u>21.01</u>	<u>25.21</u>
9 Current assets			
Inventories			
Construction work-in-progress	744.47	744.47	744.47
	<u>744.47</u>	<u>744.47</u>	<u>744.47</u>
10 Investments - current[^]			
In equity instruments			
Non-trade investments (quoted)			
II&FS Investment Managers Limited (375 equity shares (March 31, 2016: 375 equity shares and April 1, 2015: 375 equity shares) of ₹ 10 each)	0.05	0.07	0.07
	<u>0.05</u>	<u>0.07</u>	<u>0.07</u>
Aggregate book value of quoted investment	0.05	0.07	0.07
Aggregate amount of impairment in value of investment	-	-	-
<i>[^]All these investments (being strategic in nature) are measured at fair value through other comprehensive income ('FVOCI'). No dividends has been received from such investments during the year.</i>			
11 Cash and cash equivalents			
Balances with banks			
In current accounts	4.21	11.73	17.17
	<u>4.21</u>	<u>11.73</u>	<u>17.17</u>

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.

12 Other current assets

Prepaid expenses	4.22	4.21	4.21
	<u>4.22</u>	<u>4.21</u>	<u>4.21</u>

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Dalmia Promoters and Developers Private Limited

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

	As at March 31, 2017 (₹ in lakhs)	As at March 31, 2016 (₹ in lakhs)	As at April 1, 2015 (₹ in lakhs)
13 Equity share capital			
Authorised share capital			
100,000 (March 31, 2016: 100,000 and April 1, 2015: 100,000) equity shares of ₹ 10 each	10.00	10.00	10.00
	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>
Issued, subscribed and paid-up			
100,000 (March 31, 2016: 100,000 and April 1, 2015: 100,000) equity shares of ₹ 10 each	10.00	10.00	10.00
	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>

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

Equity shares of ₹ 10 each fully paid up	March 31, 2017		March 31, 2016		April 1, 2015	
	Number of shares	Amount (₹ in lakhs)	Number of shares	Amount (₹ in lakhs)	Number of shares	Amount (₹ in lakhs)
At the beginning of the year	100,000	10.00	100,000	10.00	100,000	10.00
Outstanding at the end of the year	<u>100,000</u>	<u>10.00</u>	<u>100,000</u>	<u>10.00</u>	<u>100,000</u>	<u>10.00</u>

(b) Terms and rights attached 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. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after settling off all liabilities. 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

Name of the shareholder	March 31, 2017		March 31, 2016		April 1, 2015	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
DLF Limited, the holding company	100,000	100%	100,000	100%	100,000	100%

(d) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding March 31, 2017

The Company has not issued any bonus shares nor has there been any buyback of shares in the current year and preceding five years.

(e) Shares reserved for issue under options

The Company has not reserved any shares for issuance under options.

14 Other financial liabilities- non current

Loans and advances from related parties

Due to Edward Keventer (Successors) Private Limited, a fellow subsidiary	85.16	75.03	66.13
	<u>85.16</u>	<u>75.03</u>	<u>66.13</u>

15 Other non-current liabilities

Deferred income	23.40	35.08	58.43
	<u>23.40</u>	<u>35.08</u>	<u>58.43</u>

16 Borrowings- current

Loan from DLF Limited, the ultimate holding company*	387.98	1,237.98	1,237.98
Loan from DLF Universal Limited, a fellow subsidiary company*	-	324.75	141.00
Loan from Edward Keventer (Successors) Private Limited, a fellow subsidiary	1,000.00	-	-
Loan from DLF Home Developers Limited, a fellow subsidiary company*	360.75	-	-
	<u>1,748.73</u>	<u>1,562.73</u>	<u>1,378.98</u>

*Repayable on demand and carries an interest rate of 13.50% per annum

17 Trade payables

Trade payables (refer note 27 for details of dues to micro, small and medium enterprise)	1.09	1.08	0.91
	<u>1.09</u>	<u>1.08</u>	<u>0.91</u>

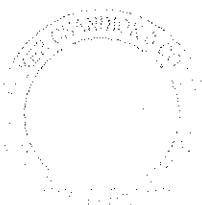
18 Other financial liabilities- current

Interest payable on borrowings	193.07	170.54	151.96
	<u>193.07</u>	<u>170.54</u>	<u>151.96</u>

19 Other current liabilities

Statutory dues	5.47	4.88	17.02
Deferred income	11.68	11.68	-
	<u>17.15</u>	<u>16.56</u>	<u>17.02</u>

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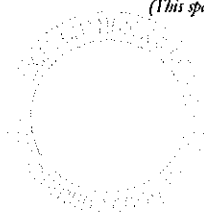


Dalmia Promoters and Developers Private Limited

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

	Year ended March 31, 2017 (₹ in lakhs)	Year ended March 31, 2016 (₹ in lakhs)
20 Other income		
Interest income from bank deposits	0.23	-
Unclaimed balances and excess provisions written back	-	0.04
Interest income from amortised cost instrument	14.85	14.48
	<u>15.08</u>	<u>14.52</u>
21 Finance costs		
Interest on borrowings	214.52	189.48
Interest expense on amortised cost instrument	14.33	13.15
Bank charges	-	0.00
	<u>228.85</u>	<u>202.63</u>
22 Other expenses		
Rates and taxes	0.03	0.14
Business support charges	0.92	0.91
Legal and professional	0.12	4.07
Payment to auditors (refer detail below)	1.26	1.23
Miscellaneous expenses	0.00	-
	<u>2.33</u>	<u>6.35</u>
Payment to auditors		
Audit fees*	1.15	1.23
Out of pocket expenses*	0.11	-
	<u>1.26</u>	<u>1.23</u>
* inclusive of service tax and swatch bharat cess.		
23 Tax expenses		
Income tax expense reported in the statement of profit or loss	-	-
	<u>-</u>	<u>-</u>
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	(216.10)	(194.46)
At country's statutory income tax rate of 28.84% (March 31, 2016: 34.608%)	(62.00)	(67.00)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax impact of expenses which will never be allowed	62.00	67.00
Income tax expense	<u>-</u>	<u>-</u>
24 Loss per share		
Loss after tax and for the year	(216.10)	(194.46)
Weighted average number of equity shares	100,000	100,000
Face value per share (₹)	10.00	10.00
Basic per share (₹)	(216.10)	(194.46)
Diluted per share (₹)	(216.10)	(194.46)

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28 Fair value measurements

Financial instruments by category

i) Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability.

ii) Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in lakhs)

March 31, 2017	Notes	Level 1	Total
Financial assets			
Investments at FVOCI			
Equity investments	10	0.05	0.05
Total financial assets		0.05	0.05

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in lakhs)

March 31, 2016	Notes	Level 1	Total
Financial assets			
Investments at FVOCI			
Equity investments	10	0.07	0.07
Total financial assets		0.07	0.07

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in lakhs)

April 1, 2015	Notes	Level 1	Total
Financial assets			
Investments at FVOCI			
Equity investments	10	0.07	0.07
Total financial assets		0.07	0.07

29 Financial risk management

i) Financial instruments by category

(₹ in lakhs)

Particulars	March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016	April 1, 2015	April 1, 2015
	Amortised cost	FVOCI	Amortised cost	FVOCI	Amortised cost	FVOCI
Financial assets						
Investments						
Equity instruments	-	0.05	-	0.07	-	0.07
Loans	26.53	-	23.36	-	20.59	-
Cash and equivalents	4.21	-	11.73	-	17.17	-
Total financial assets	30.74	0.05	35.09	0.07	37.77	0.07

(₹ in lakhs)

Particulars	March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016	April 1, 2015	April 1, 2015
	Amortised cost	FVOCI	Amortised cost	FVOCI	Amortised cost	FVOCI
Financial liabilities						
Borrowings	1,748.73	-	1,562.73	-	1,378.98	-
Trade payables	1.09	-	1.08	-	0.91	-
Other financial liabilities	278.23	-	245.57	-	218.09	-
Total financial liabilities	2,028.05	-	1,809.38	-	1,597.98	-

ii) Risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has 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.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents and investment	Aging analysis	Bank deposits, diversification of asset
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Company's risk management is carried out by a central treasury department (of the company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.



Dalmia Promoters and Developers Private Limited

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

25 Related party disclosures

Relationships

- a) Holding Company
b) Fellow subsidiaries*

Name of related party

DLF Limited
Edward Keventer (Successors) Private Limited
DLF Home Developers Limited
DLF Universal Limited**

*With whom transactions have been entered during the year/previous year.

c) Following transactions were carried out with related parties during the year in the ordinary course of business:

Description	Name of the entity	₹ in lakhs	
		March 31, 2017	March 31, 2016
Transaction during the year			
Loan received	DLF Home Developers Limited	36.00	-
	DLF Universal Limited**	-	183.75
	Edward Keventer (Successors) Private Limited	1,000.00	-
Loan refunded	DLF Limited	850.00	-
Interest on borrowings	DLF Limited	164.30	167.13
	DLF Home Developers Limited	46.89	-
	DLF Universal Limited**	-	22.36
Interest expense on amortised cost instrument	Edward Keventer (Successors) Private Limited	14.33	13.15
Interest income from amortised cost instrument	Edward Keventer (Successors) Private Limited	14.85	14.49

Description	Name of the entity	₹ in lakhs		
		March 31, 2017	March 31, 2016	April 1, 2015
Balance at the end of the year				
Equity share capital	DLF Limited	10.00	10.00	10.00
Loans	Edward Keventer (Successors) Private Limited	26.53	23.36	20.59
Borrowings	DLF Limited	387.98	1,237.98	1,237.98
	DLF Home Developers Limited	360.75	-	-
	DLF Universal Limited**	-	324.75	141.00
	Edward Keventer (Successors) Private Limited	1,000.00	-	-
Interest payable on borrowings	DLF Limited	147.87	150.41	150.22
	DLF Home Developers Limited	42.20	-	-
	DLF Universal Limited**	-	20.12	1.74
	Edward Keventer (Successors) Private Limited	3.00	-	-
Other financial liabilities	Edward Keventer (Successors) Private Limited	85.16	75.03	66.13

**Pursuant to the Order of the Hon'ble High Court of Delhi, by virtue of Scheme of arrangement, the demerged Real Estate Undertaking of DLF Universal Limited merged with DLF Home Developers Limited w.e.f. November 25, 2016. Accordingly the transactions with the said entities during the year ended March 31, 2017 and balance outstanding thereto on that date have been disclosed as transactions with and balances outstanding to as the case may be, DLF Home Developers Limited during the year ended as of March 31, 2017.

- 26 During the year, the Company has incurred loss after tax of ₹ 216.12 lakhs (March 31, 2016: ₹ 194.46 lakhs) resulting in accumulated losses of ₹ 1,235.43 lakhs (March 31, 2016: ₹ 1,019.31 lakhs and April 1, 2015: ₹ 824.85 lakhs) as at March 31, 2017. These accumulated losses have completely eroded the net worth of the Company. However, the agreement entered into with M/s Edward Keventers (Successors) Private Limited, the Company is acting as development manager for their proposed project and will get certain percentage of sales proceeds of the project. Management believes that the Company shall be able to repay all its liabilities in the coming years from this revenue and accordingly, these financial statements have been prepared on a going concern basis.

27 Disclosures under the Micro, Small and medium Enterprises Development Act, 2006 ("MSMED Act, 2006") is as under:

(₹ in lakhs)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	-	-
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;	-	-	-
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;	-	-	-
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
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.	-	-	-

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.

(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 and financial assets measured at amortised cost. The Company continuously monitors defaults of 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 expenses credit loss
Low credit risk	Cash and cash equivalents, investments and loans	12 month expected credit loss
Moderate credit risk	Not applicable	Life time expected credit loss
High credit risk	Not applicable	Life time expected credit loss or fully provided for

Cash & cash equivalents and bank deposits

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

Other financial assets measured at amortized cost includes loans and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

Assets under credit risk –**(₹ in lakhs)**

Credit rating	Particulars	March 31, 2017	March 31, 2016	April 1, 2015
A: Low credit risk	Cash and cash equivalents, investments and loans	30.79	35.16	37.84

b) Credit risk exposure**Provision for expected credit losses**

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

As at March 31, 2017**(₹ in lakhs)**

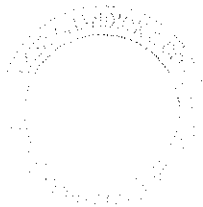
Particulars	Estimated gross carrying amount at default	Expected credit losses %	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	4.21	0%	-	4.21
Investments	0.05	0%	-	0.05
Loans	26.53	0%	-	26.53

As at March 31, 2016**(₹ in lakhs)**

Particulars	Estimated gross carrying amount at default	Expected credit losses %	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	11.73	0%	-	11.73
Investments	0.07	0%	-	0.07
Loans	23.36	0%	-	23.36

As at April 1, 2015**(₹ in lakhs)**

Particulars	Estimated gross carrying amount at default	Expected credit losses %	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	17.17	0%	-	17.17
Investments	0.07	0%	-	0.07
Loans	20.59	0%	-	20.59



Dalmia Promoters And Developers Private Limited

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

(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)

March 31, 2017	Less than 1 year	1-5 years	More than 5 years	Total
Non-derivatives				
Borrowings	1,748.73	-	-	1,748.73
Other financial liabilities	193.07	-	124.56	317.63
Total	1,942.89		124.56	2,067.45

(₹ in lakhs)

March 31, 2016	Less than 1 year	1-5 years	More than 5 years	Total
Non-derivatives				
Borrowings	1,562.73	-	-	1,562.73
Trade payable	1.08	-	-	1.08
Other financial liabilities	170.54	-	124.56	295.10
Total	1,734.34		124.56	1,858.91

(₹ in lakhs)

April 1, 2015	Less than 1 year	1-5 years	More than 5 years	Total
Non-derivatives				
Borrowings	1,378.98	-	-	1,378.98
Trade payable	0.91	-	-	0.91
Other financial liabilities	151.96	-	66.13	218.09
Total	1,531.85		66.13	1,597.98

30 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 benefits for other stakeholders, 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 face of 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.

(₹ in lakhs)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Net debts *	1,744.47	1,550.93	1,361.74
Total equity	(1,225.43)	(1,009.31)	(814.85)

* Net debt = short term borrowing - cash and cash equivalent - current investment

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Dalmia Promoters and Developers Private Limited

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

31 A. 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 March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 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.

B Ind AS optional exemptions

1 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

C Ind AS mandatory exemptions

1 Estimates

An entity's estimates in accordance with Ind AS 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 April 1, 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: Investment in equity instruments carried at FVTPL or FVOCI

b) Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets 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 of financial asset at the date of transition shall be the new carrying amount of that asset. The Company has availed the exemption for inter-corporate loans. All the other financial assets and financial liabilities have been restated retrospectively.

D 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 March 31, 2016 and April 1, 2015

	Notes to first time adoption	March 31, 2016	April 1, 2015
(₹ in lakhs)			
Total equity (shareholder's funds) as per previous GAAP		(1,010.72)	(814.92)
Adjustments:			
Adjustment on account of impact of financial instruments at amortized cost	Note - 1	1.35	-
Adjustment on account of fair value impact on investments	Note - 2	0.07	0.07
Total adjustments		1.41	0.07
Total equity as per Ind AS		(1,009.31)	(814.85)

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

	Notes to first time adoption	March 31, 2016
(₹ in lakhs)		
Loss after tax as per previous GAAP		(195.81)
Adjustments:		
Adjustment on account of impact of financial instruments at amortized cost	Note - 1	1.35
Total adjustments		1.35
Total comprehensive income for the year ended March 31, 2016		(194.46)

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

Particulars	Previous GAAP	Adjustments	Ind AS
(₹ in lakhs)			
Net cash used in operating activities	(18.29)	-	(18.29)
Net cash flow from investing activities	-	-	-
Net cash used in financing activities	12.85	-	12.85
Net increase in cash and cash equivalents	(5.44)	-	(5.44)
Cash and cash equivalents as at April 1, 2015	17.17	-	17.17
Cash and cash equivalents as at March 31, 2016	11.73	-	11.72

Note - 1

A Financial liabilities at amortised cost

Under previous GAAP, financial liabilities were initially recognised at transaction price. Subsequently, any finance income and finance costs were recognised based on contractual terms. Under Ind AS, such financial instruments are initially recognised at fair value and subsequently carried at amortised cost determined using the effective interest rate. Any difference between transaction price and fair value affects profit and loss unless it quantifies for recognition as some other type of asset or liability.

B Financial assets at amortised cost

Under previous GAAP, financial assets and security deposits paid were initially recognised at transaction price. Subsequently, any finance income and finance costs were recognised based on contractual terms. Under Ind AS, such financial instruments are initially recognised at fair value and subsequently carried at amortised cost determined using the effective interest rate. Any difference between transaction price and fair value affects profit and loss unless it quantifies for recognition as some other type of asset or liability.

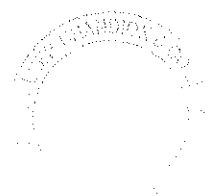
Note - 2

A Fair instruments carried at fair value through profit and loss or through other comprehensive income

Under previous GAAP, investments in long-term equity instrument were carried at cost and tested for other than temporary diminution. Under Ind AS, such investments are carried at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI).

B Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.



32 Explanation of transition to Ind AS

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

(₹ in lakhs)

Particulars	March 31, 2016			April 1, 2015		
	Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
Non-current assets						
Financial assets						
Loans	50.00	(26.64)	23.36	50.00	(29.41)	20.59
Deferred tax assets (net)	39.66	-	39.66	39.66	-	39.66
Non-current tax assets (net)	7.20	-	7.20	7.20	-	7.20
Other non-current assets	0.00	21.01	21.01	0.00	25.21	25.21
Total non-current assets	96.86	(5.63)	91.24	96.86	(4.20)	92.66
Current assets						
Inventories	744.47	-	744.47	744.47	-	744.47
Financial assets						
Investments	-	0.07	0.07	-	0.07	0.07
Cash and cash equivalents	11.73	-	11.73	17.17	-	17.17
Other current assets	-	4.21	4.21	-	4.20	4.21
Total current assets	756.20	4.28	760.48	761.65	4.27	765.92
Total assets	853.06	(1.35)	851.71	858.51	0.07	858.59

(₹ in lakhs)

Particulars	March 31, 2016			April 1, 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	10.00	-	10.00	10.00	-	10.00
Other equity	(1,020.72)	1.42	(1,019.31)	(824.92)	0.07	(824.85)
Total equity	(1,010.72)	1.42	(1,009.31)	(814.92)	0.07	(814.85)
Liabilities						
Non-current liabilities						
Financial liabilities						
Other financial liabilities	124.56	(49.53)	75.03	66.13	-	66.13
Other non current liabilities	-	35.08	35.08	58.43	-	58.43
Total non-current Liabilities	124.56	(14.45)	110.11	124.56	-	124.56
Current liabilities						
Financial liabilities						
Borrowings	1,562.73	-	1,562.73	1,378.98	-	1,378.98
Trade payables	1.08	-	1.08	0.91	-	0.91
Other financial liabilities	170.54	-	170.54	151.96	-	151.96
Other current liabilities	4.88	11.68	16.56	17.02	-	17.02
Total current liabilities	1,739.22	11.68	1,750.91	1,548.87	-	1,548.87
Total equity and liabilities	853.06	(1.35)	851.71	858.51	0.07	858.58

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

- 33 The Company is primarily engaged in the business of colonization and real estate development, which as per Indian Accounting Standard – 108 on 'Operating Segments' is considered to be the only reportable business segment. The Company derives its major revenues from construction and development of real estate projects and its customers are widespread. The Company is operating in India which is considered as a single geographical segment.
- 34 The dispute between the Company and M/s Ashoka Builders & Promoters and M/s Arenja Enterprises Private Limited which formed the subject matter of Suit No. 594 of 1990 and Suit No. 1744 of 1992, has been settled vide Consent Decree dated 10 April 1996 passed by the Hon'ble High Court of Delhi at New Delhi. As per the said Consent Decree, the Company along with M/s Edward Keventer (Successor) Private Limited (EK) is to make available 34,000 sq. ft. residential built up area to Messrs. Ashoka Builders & Promoters and M/s Arenja Enterprises Private Limited, towards full and final settlement of all their disputes, claims, rights and entitlements/benefits. The accounting impact of this settlement will be given effect in the year in which the specified residential built-up area is made available to M/s Ashoka Builders & Promoters and M/s Arenja Enterprises Private Limited.
- 35 The Company has accumulated losses and net current liability position at the end of the year. However, as per the agreement entered into with M/s Edward Keventer (Successors) Private Limited, the Company is acting as development manager for their proposed project and will get certain percentage of sale proceeds of the project. Management believes that the Company shall be able to repay all its liabilities in the coming years from this revenue and accordingly financial statements of the Company have been made on a going concern basis.

