ANIL & ANIL
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

M/S DLF PROJECTS LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **M/s DLF Projects Limited ("the Company")**, which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Statement of Cash Flows and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the Ind AS financial statements that give a true and fair view of the financial position, financial performance including 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) prescribed under Section 133 of the Act, read with relevant rules issued there under.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

ANIL & ANIL ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

Off : 501, Surya Kiran, Kasturiba Gandhi Marg, Connaught Place, New Delhi - 110 001, India.
Phone/Fax : (011) 40391500, 40391600 e-mail : admn@aaca.in

An audit involves performing procedures to obtain audit evidence about the amounts, the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2018, and its financial performance, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by 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 purposes of our audit.

   (b) In our opinion, proper books of account as required by law relating to preparation of aforesaid financial statements have been kept so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Statement of Cash Flow and the statement of changes in equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

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(f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure A" 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, in our opinion and to the best of our information and according to the explanations given to us:

i. As detailed in note 35 to the financial statements, the Company has disclosed the impact of pending litigations on its financial position;

ii. The Company did not have any long term Contracts including derivative contracts, hence the question of commenting on any material foreseeable losses does not arise;

iii. There has not been an occasion in case of the company during the year under report to transfer the Investor Education and Protection Fund. The question of delay in transferring such sum does not arise;

2. 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, based on the comments in the auditor's report of the company incorporated in India, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For Anil & Anil,
(Formerly Atul Kulshrestha & Co)
Chartered Accountants
Firm Regn No. 013768N

ANIL & ANIL
NEW DELHI
CHARTERED ACCOUNTANTS

R. Varadharajan
Partner
M.No.207728
Place: New Delhi
Date: 14th May 2018

Annexure "A" to the 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")

We have audited the internal financial controls over financial reporting of M/s DLF Projects Limited ("the Company") as of 31st March'2018 in conjunction with our audit of the Ind AS financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 its 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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.

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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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company· (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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

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

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March'2018, based on the internal controls over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Anil & Anil,
(Formerly Atul Kulshrestha & Co)
Chartered Accountants
Firm Regn No. 013768N

ANIL & ANIL ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

R. Varadharajan
Partner
M.No.207728
Place: New Delhi
Date: 14th may 2018

Annexure "B" referred to in paragraph-2 of our report on other legal & regulatory requirements even date on the accounts of M/s DLF Projects Limited for the year ended 31st March'2018

i. In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

c) In our opinion and according to the information and explanations given to us, the Company does not any immovable property (in the nature of "Fixed Assets") Accordingly, the clause (i)(c) of paragraph 3 of the order is not applicable to the company

ii. In our opinion and according to the information and explanations given to us, the Company has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical verification and book records were noticed on physical verification.

iii. In our opinion and according to the information and explanations given to us, the Company has granted unsecured loan to a company covered in the register maintained under section 189 of the Companies Act, 2013 and with respect to the same: -

a) In our opinion, and according to the information and explanations given to us, company has not granted any loan during the year. Accordingly, the clause (iii)(a) of paragraph 3 of the order is not applicable to the company.

b) The schedule of repayment of principal and payment of interest has been stipulated and the repayment of principal amount and interest are regular;

c) There is no overdue amount in respect of loans granted to such companies, firms, LLP's or other parties.

iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 of the Companies Act, 2013 are required to be complied with. Section 186 (loan and investment by company) is not applicable to this company since sub section 11 (a) of section 186 gives exemption from application of this section (except for maintaining the register under this section) for companies providing infrastructural facilities. Schedule VI, clause 5 of the Companies Act 2013 defines infrastructural companies to include real estate development companies. Accordingly, clause (iv) of paragraph 3 of the order is not applicable to the company.

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v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the order are not applicable to the Company.

vi. According to the information and explanations given to us, the Companies (Cost Records and Audit) Rules made by the Central Government for the maintenance of Cost records under sub section (1) of section 148 of the Act are not applicable to the Company. Accordingly, clause (vi) of paragraph 3 of the order is not applicable to the Company.

vii. In respect of statutory dues:

a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2018 for a period of more than six months from the date of becoming payable.

b) The dues outstanding in respect of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax on account of dispute, are as follows:-

Statement of Disputed Dues:-

Name of the Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	312.04	A.Y. 2009-2010	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	250.99	A.Y. 2010-2011	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	23.26	A.Y. 2011-2012	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	26.37	A.Y. 2012-2013	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	161.15	A.Y. 2010-2011	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service Tax	22.44	2010 - 2011 to 2012 - 2013	Commissioner Service Tax, New Delhi
Finance Act, 1994	Service Tax	415.64	March 2009-May 2009	CESTAT, New Delhi
Finance Act, 1994	Service Tax	99.86	Financial Year 2011-2012	Commissioner Service Tax,

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				New Delhi
Finance Act, 1994	Service Tax	1,799.04	Financial Year 2011-2012	CESTAT, New Delhi
Uttar Pradesh Value Added Tax, 2008	Value Added Tax	47.33	Financial Year 2006-2007	Hon'ble Allahabad High Court
Uttar Pradesh Value Added Tax, 2008	Value Added Tax	136.94	Financial Year 2009-2010 to 2011-2012	Additional Commissioner (Appeals)
West Bengal Value Added Tax, 2003	Value Added Tax	164.36	Financial Year 2011-2012 to 2012-2013	Appellate Tribunal Government of West Bengal
West Bengal Value Added Tax, 2003	Value Added Tax	63.41	Financial Year 2013-2014	Joint Commissioner (Appeals)
Tamil Nadu Value Added Tax, 1990	Entry Tax	6.79	Financial Year 2008-2009	Tamil Nadu High Court
Tamil Nadu Value Added Tax, 1990	Value Added Tax	171.65	Financial Year 2007-2008 to 2011-2012	Joint Commissioner (South), Chennai
Tamil Nadu Value Added Tax, 1990	Value Added Tax	1,922.18	Financial Year 2007-2008, 2008-2009 & 2009-2010	Tamil Nadu High Court
Kerala value Added Tax, 2003	Value Added Tax	0.38	Financial Year 2009-2010	DC (Appeals)
Haryana value Added Tax, 2003	Value Added Tax	1,436.82	Financial Year 2011-2012 & 2012-2013	Joint Excise & Taxation Commissioner (Appeals), Faridabad
Kerala value Added Tax, 2003	Value Added Tax	418.74	Financial Year 2009-2010	High Court Delhi
Kerala value Added Tax, 2003	Value Added Tax	15.16	Financial Year 2011-2012	DC (Appeals)
Delhi Value Added Tax, 2005	Value Added Tax	157.35	Financial Year 2013-2014	VATO

viii. In our opinion and according to the information and explanations given to us, the Company has not taken any loans or borrowings from financial institutions, banks and government and no debentures have been issued by the company. Accordingly, clause (viii) of paragraph 3 of the order is not applicable to the Company.

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ix. In our opinion and according to the information and explanations given to us, no monies were raised by way of term loans, initial public offer or further public offer (including debt instruments) by the Company during the year. Accordingly, clause (ix) of paragraph 3 of the order is not applicable to the Company.

x. In our opinion and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and to the information and explanations given to us, Company has not paid any managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 Accordingly clause (xi) of paragraph 3 of the order is not applicable to the Company.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi. In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-I of the Reserve Bank of India Act 1934.

For Anil & Anil,
(Formerly Atul Kulshrestha & Co)
Chartered Accountants
Firm Regn No. 013768N

ANIL & ANIL
NEW DELHI
CHARTERED ACCOUNTANTS

R. Varadharajan
Partner
M.No.207728
Place: New Delhi
Date: 14th May 2018

DLF Projects Limited
U45201HR2006PLC036025
Regd Office: 3rd Floor, Shopping Mall Complex Arjun Marg, DLF Phase-I ,Gurugram 122002, Haryana
Statement of Assets and Liabilities

(Amount in ₹)

Particulars	As at March 31, 2018 (Audited)	As at March 31, 2017 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	63,465,017	84,720,490
Other intangibles assets	46,455	67,907
Financial assets		
Loans	11,737,210	11,737,210
Non-current tax assets (net)	170,757,717	172,614,615
Other non-current assets	132,062,298	132,979,553
Total of non-current assets	378,068,697	402,119,775
Current assets		
Inventories	40,014,784	39,179,069
Financial assets		
Trade receivables	72,944,982	124,950,725
Cash and cash equivalents	140,971,950	207,015,848
Other bank balances	-	160,000
Other financial assets	36,203,909	45,232,289
Other current assets	204,773,056	202,223,887
Total of current assets	494,908,681	618,761,818
Total of assets	872,977,378	1,020,881,593
EQUITY AND LIABILITIES		
Equity		
Equity share capital	444,025,000	444,025,000
Other equity	(134,593,476)	(70,190,416)
Total of equity (for shareholders of parent)	309,431,524	373,834,584
Non-controlling interest		
Total of equity	309,431,524	373,834,584
Non-current liabilities		
Financial liabilities		
Borrowings	211,546,582	263,000,000
Other non-current liabilities	25,682,395	-
Total of non-current liabilities	237,228,977	263,000,000
Current liabilities		
Financial Liabilities		
Borrowings	-	-
Trade payables	225,465,064	252,673,781
Other financial liabilities	1,949,194	1,949,194
Other current liabilities	98,902,619	129,424,035
Total of current liabilities	326,316,877	384,047,009
Total of equity and liabilities	872,977,378	1,020,881,593

NOTES:

1 DLF PROJECTS LTD. is a company incorporated under the provision of Companies Act, 1956 read with relevant provisions of companies Act 2013 as on 31st January 2006. The company is primarily engaged in the business of construction, development and sale of real estate properties in India.

2 The above financials have been prepared in accordance with Ind-AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standard) Rules, 2015 (Ind-AS) and other recognised accounting practices and policies to the extent applicable.

3 The above year ended results have been reviewed by the Audit Committee approved by the Board of Directors on May 14, 2018. The Statutory Auditors have carried out audit of the said Yearly Financial Statements.

4 Previous year figures has been regrouped wherever considered necessary.

For and on behalf of
Anil & Anil(Formerly Atul kulshrestha & Co)
Chartered Accountants
FRN No. 013768N

R. Varadharajan
Partner
Membership No.207728

Place: Gurgaon
Date: 14th May 2018

ANIL & ANIL ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

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

Alok Kumar
Director
DIN:06412803

C.P. Poonacha
Director
DIN:00074337

K.K Sharma
Chief Financial Officer

Raju Paul
Company Secretary

DLF Projects Limited
U45201HR2006PLC036025
Regd Office: 3rd Floor, Shopping Mall Complex Arjun Marg, DLF Phase-I ,Gurugram 122002, Haryana

Statement of Audited financial results for the quarter and year ended March 31, 2018

(Amount in ₹)

S. NO.	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		31.03.2018 (Audited)	31.12.2017 (Unaudited)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)
1	**Income from operations**					
	a) Revenue from operations	1,646,935	419,030	3,241,200	2,141,948	9,030,441
	b) Other income	20,782,015	4,268,082	1,790,738	29,966,030	18,846,415
	Total income	**22,428,950**	**4,687,112**	**5,031,938**	**32,107,978**	**27,876,856**
2	**Expenses**					
	a) Cost of land, plots, constructed properties, development rights and others	9,513,636	11,449,454	1,621,948	10,692,657	10,201,151
	b) Employee benefits expense	-	-	-	-	-
	c) Finance costs	1,487,377	1,675,942	(54,412)	4,027,368	2,886,681
	d) Depreciation and amortisation expense	1,722,025	1,772,493	4,596,187	9,103,792	16,458,989
	e) Other expenses	36,079,416	14,906,769	18,439,536	65,663,422	38,764,596
	Total expenses	**48,802,454**	**29,804,658**	**24,603,259**	**89,487,239**	**68,311,417**
3	**Profit before exceptional items, tax, share of (loss) in associates and joint ventures (1-2)**	**(26,373,504)**	**(25,117,546)**	**(19,571,321)**	**(57,379,261)**	**(40,434,561)**
4	Exceptional items (net)	-	-	-	-	-
5	**Profit before tax, share of (loss) in associates and joint ventures (3+4)**	**(26,373,504)**	**(25,117,546)**	**(19,571,321)**	**(57,379,261)**	**(40,434,561)**
6	Tax expense*					
	Deferred Tax	-	-	-	-	-
	Income Tax	7,023,800	-	-	7,023,800	-
7	**Profit after tax and before share of (loss)/profit in associates and joint ventures (5-6)**	**(33,397,304)**	**(25,117,546)**	**(19,571,321)**	**(64,403,061)**	**(40,434,561)**
8	Share of (loss) in associates and joint ventures (net)	-	-	-	-	-
9	**Net profit for the period/year (7+8)**	**(33,397,304)**	**(25,117,546)**	**(19,571,321)**	**(64,403,061)**	**(40,434,561)**
10	**Other comprehensive income**					
	a) Items that will not be reclassified to profit and loss	-	-	-	-	-
	b) Income tax relating to items that will not be reclassified to profit and loss	-	-	-	-	-
	c) Items that will be reclassified to profit or loss	-	-	-	-	-
	d) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Other comprehensive income/(loss)	-	-	-	-	-
11	**Total comprehensive income for the period/year (9+10)**	**(33,397,304)**	**(25,117,546)**	**(19,571,321)**	**(64,403,061)**	**(40,434,561)**
	Total comprehensive income attributable to:					
	Owners of the holding company	(33,397,304)	(25,117,546)	(19,571,321)	(64,403,061)	(40,434,561)
	Non-controlling interests	-	-	-	-	-
		(33,397,304)	**(25,117,546)**	**(19,571,321)**	**(64,403,061)**	**(40,434,561)**
	Other comprehensive income/(loss) attributable to:					
	Owners of holding company	-	-	-	-	-
	Non-controlling interests	-	-	-	-	-
12	Paid-up equity share capital	444,025,000	444,025,000	444,025,000	444,025,000	444,025,000
13	Other equity	-	-	-	(134,593,476)	(70,190,416)
13	**Earnings per equity share (face value of Rs.10 per share) (not annualised)**					
	Basic (₹)	(0.75)	(0.57)	(0.44)	(1.45)	(0.91)
	Diluted (₹)	(0.75)	(0.57)	(0.44)	(1.45)	(0.91)

For and on behalf of
Anil & Anil(Formerly Atul kulshrestha & Co)
Chartered Accountants
FRN No. 013768N

ANIL & ANIL NEW DELHI CHARTERED ACCOUNTANTS

R. Varadharajan
Partner
Membership No.207728

Place: Gurgaon
Date: 14th may 2018

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

Alok Kumar
Director
DIN:06412803

C.P. Poonacha
Director
DIN:00074337

K.K Sharma
Chief Financial Officer

Raju Paul
Company Secretary

DLF Projects Limited
U45201HR2006PLC036025
Regd Office: 3rd Floor, Shopping Mall Complex Arjun Marg, DLF Phase-I ,Gurugram 122002, Haryana

Balance Sheet as at 31 March 2018

	Notes	As at 31 March 2018 (Audited) (₹)	As at 31 March 2017 (Audited) (₹)
ASSETS			
Non-current assets			
Property, plant and equipment	5	63,465,017	84,720,490
Other Intangible assets	6	46,455	67,907
Financial Assets			
Loans	7	11,737,210	11,737,210
Non-current tax asset (net)	8	170,757,717	172,614,615
Other non current assets	9	132,062,298	132,979,553
		378,068,697	402,119,775
Current assets			
Inventories	10	40,014,784	39,179,069
Financial assets			
Trade receivables	11	72,944,982	124,950,725
Cash and cash equivalents	12	140,971,950	207,015,848
Other bank balances	13	-	160,000
Other financial assets	14	36,203,909	45,232,289
Other current assets	15	204,773,056	202,223,887
		494,908,681	618,761,818
		872,977,378	1,020,881,594
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	444,025,000	444,025,000
Other equity	17	(134,593,476)	(70,190,416)
		309,431,524	373,834,584
LIABILITIES			
Non-current liabilities			
Borrowings	18	211,546,582	263,000,000
Other non -current liabilities	19	25,682,395	-
		237,228,977	263,000,000
Current liabilities			
Financial liabilities			
Trade payables	20	225,465,064	252,673,781
Other financial liabilites	21	1,949,194	1,949,194
Other current liabilities	22	98,902,619	129,424,035
		326,316,877	384,047,010
		872,977,378	1,020,881,594

Summary of significant accounting policies 4

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

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

For and on behalf of

Anil & Anil
(Formerly Atul Kulshrestha & Co)
Chartered Accountants
FRN No. 013768N

ANIL & ANIL ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

R. Varadharajan
Partner
Membership No.207728

Place: Gurgaon
Date: 14th may 2018

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

Alok Kumar
Director
DIN:06412803

C.P. Poonacha
Director
DIN:00074337

K.K Sharma
Chief Financial Officer

Rajiv Pal
Company Secretary

Ni

DLF Projects Limited
U45201HR2006PLC036025
Regd Office: 3rd Floor, Shopping Mall Complex Arjun Marg, DLF Phase-I ,Gurugram 122002, Haryana

Statement of Profit and Loss for the year ended 31 March 2018

	Notes	For the year ended March 31, 2018 (Audited) (₹)	For the year ended March 31, 2017 (Audited) (₹)
Revenue			
Revenue from operations	23	2,141,948	9,030,441
Other income	24	29,966,030	18,846,415
		32,107,978	27,876,856
Expenses			
Cost of construction	25	10,692,657	10,201,151
Finance costs	26	4,027,368	2,886,681
Depreciation and amortisation expense	27	9,103,792	16,458,989
Other expenses	28	65,663,422	38,764,596
		89,487,239	68,311,417
(Loss)/profit before tax		(57,379,261)	(40,434,562)
Tax expenses	29	7,023,800	-
(Loss)/profit after tax and for the year		(64,403,061)	(40,434,562)
Discontinuing operations			
Profit/(loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(loss) from discontinuing operations (after tax)			
Loss after tax		(64,403,061)	(40,434,562)
Other comprehensive income		-	-
A(i) Items that will not be reclassed to profit or loss			-
A(ii) Income tax relating items that will not be reclassed to profit or loss			-
B(i) Items that will be reclassified to profit or loss			-
B(ii) Income tax relating items that will be reclassed to profit or loss			-
		-	-
Total comprehensive income for the year		(64,403,061)	(40,434,562)
(Loss)/profit per equity share	30		
Basic		(1.45)	(0.91)
Diluted		(1.45)	(0.91)

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

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

For and on behalf of

Anil & Anil
(Formerly Atul kulshrestha & Co)

Chartered Accountants
FRN No. 013768N

ANIL & ANIL ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

R. Varadharajan
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Place: Gurgaon
Date: 14th may 2018

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DLF Projects Limited
U45201HR2006PLC036025
Regd Office: 3rd Floor, Shopping Mall Complex Arjun Marg, DLF Phase-I ,Gurugram 122002, Haryana
Cash flow statement for the year ended 31 March 2018

		For the year ended March 31, 2018 (Audited) (₹)	For the year ended March 31, 2017 (Audited) (₹)
A.	**Cash flow from operating activities**		
	Net (loss)/profit before tax	(57,379,261)	(40,434,562)
	Adjustments for non cash transactions:		
	Depreciation and amortisation expense	9,103,792	16,458,989
	Interest expense	755,725	-
	Interest income	(7,317,433)	(12,152,601)
	Interest on Income Tax refund	(8,566,447)	(3,561,660)
	Bad debts written off	-	2,933,337
	Loss on foreign exchange fluctuations (net)	-	-
	Provision against balances with government authorities	-	6,425,045
	Unclaimed balances and excess provisions written back	-	-
	Amount write off	31,021,385	-
	Loss/(profit) on disposal of property, plant and equipment (net)	5,643,057	7,055,428
	Operating (loss)/profit before working capital changes	(26,739,182)	(23,276,023)
	Adjustments for:		
	Increase in inventories	(835,715)	1,415,371
	Decrease in trade receivables	20,984,359	53,983,926
	Decrease in other financial Assets	9,028,380	3,034,222
	Increase in other current assets	(2,549,169)	1,855,815
	Increase/(decrease) in other current liabilities	(30,521,415)	1,683,725
	Decrease in trade payables	(27,208,719)	(89,764,460)
	Cash flow used in operations	(57,841,461)	(51,067,425)
	Taxes refund received (net)	(5,166,902)	60,650,694
	Net cash generated from/ (used in) operating activities (A)	(63,008,363)	9,583,269
B	**Cash flows from investing activities**		
	Proceeds from disposal of property, plant and equipment	6,530,077	13,118,000
	Proceeds from maturity of fixed deposits	160,000	-
	Interest received	15,883,880	15,186,823
	Refund of loans to related party	-	-
	Realisation from Other Non- Current Assets	917,255	-
	Net cash generated from investing activities (B)	23,491,212	28,304,823
C	**Cash flows from financing activities**		
	Increase in other non- current liabilities	25,682,395	
	Interest paid	(52,209,142)	-
	Net cash used in financing activities (C)	(26,526,747)	-
	Net increase in cash and cash equivalents (A+B+C)	(66,043,898)	37,888,092
	Cash and cash equivalents at the beginning of the year	207,015,848	169,127,342
	Cash and cash equivalents at the end of the year	140,971,950	207,015,434
		(66,043,898)	37,888,092
	Components of cash and cash equivalents (Refer note no 12)		
	Balance with banks :		
	In current accounts with scheduled banks	70,196,939	33,881,000
		70,196,939	33,881,000
	Bank deposits with original maturity less than 3 months	70,775,011	173,134,434
		140,971,950	207,015,434

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

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

For and on behalf of
Anil & Anil
(Formerly Atul kulshrestha & Co)
Chartered Accountants
FRN No. 013768N

R. Varadharajan
Partner
Membership No.207728

Place: Gurgaon
Date: 14th May 2018

ANIL & ANIL NEW DELHI CHARTERED ACCOUNTANTS

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

Alok Kumar
Director
DIN:06412803

C.I. Poonacha
Director
DIN:00074337

K.K Sharma
Chief Financial Officer

Raju Paul
Company Secretary

DLF Projects Limited
U45201HR2006PLC036025
Regd Office: 3rd Floor, Shopping Mall Complex Arjun Marg, DLF Phase-I ,Gurugram 122002, Haryana

17 Statement of changes in equity as at 31 Mar 2018

A Equity share capital*

(in ₹)

Particulars	Opening balance as at 1 April 2015	As at 31 March 2018 (Audited)	As At 31 Mar 2018 (Audited)
Equity share capital	444,025,000	444,025,000	444,025,000

**Refer note 16 for details.*

B Other equity

(in ₹)

Description	Equity component of compound financial instruments	Reserves and Surplus	Total
		Retained earnings	
Balance as at 31 March 2017	45,275,689	(115,466,105)	(70,190,416)
Loss for the year		(64,403,061)	(64,403,061)
Balance as at 31 March 2018	45,275,689	(179,869,166)	(134,593,476)

For and on behalf of

Anil & Anil
(Formerly Atul kulshrestha & Co)
Chartered Accountants
FRN No. 013768N

ANIL & ANIL NEW DELHI CHARTERED ACCOUNTANTS

R. Varadharajan

Partner

Membership No.207728

Place: Gurgaon
Date: 14th may 2018

For and on behalf of the Board of Directors

DLF Projects Limited

Alok Kumar
Director
DIN: 06412803

C.P. Poonacha
Director
DIN:00074337

K.K Sharma
Chief Financial Officer

Company Secretary

Mi

DLF Projects Limited
U45201HR2006PLC036025
Regd Office: 3rd Floor, Shopping Mall Complex Arjun Marg, DLF Phase-I ,Gurugram 122002, Haryana
Notes to the Financial Statements for the year ended 31 March, 2018
(All amounts are in ₹, unless otherwise stated)

5 Property, plant and equipment

Description	Plant and machinery (₹)	Furniture and fixtures (₹)	Vehicles (₹)	Office equipments (₹)	Computers (₹)	Total (₹)
Gross carrying amount						
Balance as at 31 March 2016	133,180,209	366,501	288,934	63,380	991,271	134,890,295
Additions	-	-	-	-	-	-
Disposals	22,471,954	-	-	-	-	22,471,955
Balance as at 31 March 2017	110,708,255	366,501	288,934	63,380	991,271	112,418,340
Additions	-	-	-	-	-	-
Disposals	13,611,227	-	-	-	-	13,611,227
Balance as at 31 March 2018	97,097,028	366,501	288,784	63,380	991,271	98,807,113
Accumulated depreciation						
Balance as at 31 March 2016	13,433,451	50,927	-	63,380	-	13,547,758
Depreciation charge	15,118,075	50,927	288,784	-	991,271	16,449,058
Adjusted on disposal of assets	2,298,970	-	-	-	-	2,298,970
Balance as at 31 March 2017	26,252,556	101,854	288,784	63,380	991,271	27,697,850
Depreciation charge	9,051,341	52,451	-	-	-	9,103,792
Adjusted on disposal of assets	1,459,546	-	-	-	-	1,459,546
Balance as at 31 March 2018	33,844,352	154,305	288,784	63,380	991,271	35,342,096
Net block						
Balance as at 31 March 2016	119,746,758	315,574	288,934	-	991,271	121,342,537
Balance as at 31 March 2017	84,455,699	264,647	150	-	(0)	84,720,490
Balance as at 31 March 2018	63,252,676	212,196	-	-	-	63,465,017

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

(ii) Capitalised borrowing cost
The Company has not capitalised any borrowing cost during the year ended March 31, 2018 and March 31, 2017.

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

6 Other intangible assets

Description	Computer software (₹)	Total (₹)
Gross carrying amount		
Balance as at 31 March 2016	111,902	111,902
Additions	-	-
Disposals	-	-
Balance as at 31 March 2017	111,902	111,902
Additions	-	-
Disposals	-	-
Balance as at 31 March 2018	111,902	111,902
Accumulated amortisation		
Balance as at 31 March 2016	34,063	34,063
Amortisation charge	9,932	9,932
Adjusted on disposal of assets	-	-
Balance as at 31 March 2017	43,995	43,995
Amortisation charge	21,452	21,452
Adjusted on disposal of assets	-	-
Balance as at 31 March 2018	65,447	65,447
Net block		
Balance as at 31 March 2016	77,839	77,839
Balance as at 31 March 2017	67,907	67,907
Balance as at 31 March 2018	46,455	46,455

ANIL & ANIL
NEW DELHI
CHARTERED ACCOUNTANTS

DLF Projects Limited
U45201HR2006PLC036025
Regd Office: 3rd Floor, Shopping Mall Complex Arjun Marg, DLF Phase-I ,Gurugram 122002, Haryana
Notes to the Financial Statements for the year ended 31 March, 2018
(All amounts are in ₹, unless otherwise stated)

		As at 31 March 2018 (Audited) (₹)	As at 31 March 2017 (Audited) (₹)
	Loans		
7	**Non - current**		
	(Unsecured, considered good)		
	Security deposits	11,737,210	11,737,210
		11,737,210	11,737,210
8	**Non - Current tax asset (net)**		
	Prepaid taxes net of provision for tax	170,757,717	172,614,615
		170,757,717	172,614,615
9	**Other non-current assets**		
	(Unsecured, considered good unless otherwise stated)		
	Balance with government authorities	152,789,065	153,657,645
	less: Provision for doubtful advances	(20,726,767)	(20,678,092)
		132,062,298	132,979,553
10	**Inventories**		
	(Valued at cost, unless otherwise stated)		
	Raw materials at site	29,273,943	28,438,230
	Stores, spares and loose tools	1,151,291	1,151,291
	Consumables and safety items	9,589,549	9,589,549
		40,014,784	39,179,068
	* No items of inventories have been pledged as security for any liabilities.		
11	**Trade receivables**		
	(Unsecured, considered good unless otherwise stated)		
	Related parties (refer note 32)	47,804,437	10,514,257
	Others	25,140,544	49,120,286
	Unbilled receivables	-	65,316,183
		72,944,982	124,950,725
12	**Cash and cash equivalents**		
(i)	Cheques on hand	-	-
	Balance with banks :		
	In current accounts with scheduled banks	70,196,939	33,881,414
		70,196,939	33,881,414
	Bank deposits with original maturity less than 3 months	70,775,011	173,134,434
		140,971,950	207,015,848

(ii) **Disclosure on Specified Bank Notes (SBNs)**
During the year, the Company has not transacted in cash and accordingly, the Company did not have any holdings in Specified Bank Notes, 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.

		As at 31 March 2018	As at 31 March 2017
13	**Other bank balances**		
	Deposits with original maturity more than 3 months but less than 12 months*	-	160,000
		-	160,000
	* Pledged with sales tax authority		
14	**Other financial assets**		
	(Unsecured, considered good)		
	Gratuity fund plan assets	36,187,746	36,337,172
	(Unsecured, considered good)		
	Loans to related parties (refer note 32)	16,163	8,895,117
		36,203,909	45,232,289
15	**Other current assets**		
	(Secured, considered good)		
	Other current assets - asset for sale	-	-
	(Unsecured, considered good)		
	Advances recoverable in kind for value to be received	17,050,737	1,878,580
	Balance with government authorities	186,801,070	199,683,094
	Prepaid Expenses	921,250	662,213
	Recoverable from customers	-	-
		204,773,056	202,223,887

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ANIL & ANIL ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

M

DLF Projects Limited
U45201HR2006PLC036025
Regd Office: 3rd Floor, Shopping Mall Complex Arjun Marg, DLF Phase-I ,Gurugram 122002, Haryana
Notes to the Financial Statements for the year ended 31 March, 2018
(All amounts are in ₹, unless otherwise stated)

16 Equity share capital	As at 31 March 2018 (Audited) (₹)	As at 31 March 2017 (Audited) (₹)
Authorised capital		
45,000,000 (previous year 45,000,000) equity shares of ₹ 10 each	450,000,000	450,000,000
	450,000,000	450,000,000
Issued, subscribed and paid up capital		
44,402,500 (previous year 44,402,500) equity shares of ₹ 10 each fully paid up	444,025,000	444,025,000
	444,025,000	444,025,000

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

	As At 31 Mar 2018 (Audited)		As At 31 Mar 2017 (Audited)	
	No of shares	Amount (₹)	No of shares	Amount (₹)
At the beginning of the year	44,402,500	444,025,000	44,402,500	444,025,000
Add : Issued during the year	-	-	-	-
Outstanding at the end of the year	44,402,500	444,025,000	44,402,500	444,025,000

B Rights, preference and restrictions to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the board of directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

C Details of shareholders holding more than 5% shares in the Company

	As At 31 Mar 2018 (Audited)		As At 31 Mar 2017 (Audited)	
	No of shares	% holding	No of shares	% holding
Equity shares of ₹ 10 each fully paid up				
DLF Home Developers Limited, holding company*	40,000,000	90.09	40,000,000	90.09
DLF Limited , ultimate holding company	4,288,500	9.66	4,288,500	9.66
Lodhi Property company limited**	114,000	0.26	114,000	0.26
DLF Realtors Private Limited	-	-	-	-

* 6 equity shares being held by nominees of DLF Home Developers Limited.
** DLF Hotel Holdings Ltd is merged with Lodhi Property company limited wide court order dated 20th February, 2018

D Shares held by holding and ultimate holding company

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

Class of shares	As At 31 Mar 2018 (Audited) No. of shares	As At 31 Mar 2017 (Audited) No. of shares
Equity shares of ₹10 each fully paid up	44,288,500	44,288,500

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

F Aggregate number of shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the date March 31, 2018

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

Class of shares	Allotted to	No. of shares
Equity shares of ₹10 each	DLF Limited	4,288,500
Equity shares of ₹10 each	DLF Hotel Holdings Limited	57,000
Equity shares of ₹10 each	DLF Realtors Private Limited	57,000

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ANIL & ANIL NEW DELHI CHARTERED ACCOUNTANTS

		As at 31 March 2018 (Audited) (₹)	As at 31 March 2017 (Audited) (₹)
18	**Borrowings**		
	Liability component of compound financial instrument		
	(Unsecured)		
	6% non-cumulative redeemable preference shares of ₹10 each	211,546,582	263,000,000
		211,546,582	263,000,000

6% Non Cumulative Redeemable Preference Shares of (₹) 10 each

The preference shares shall carry a fixed non-cumulative dividend of 6% p.a. and for the purpose of redemption have a right of put and call option, exercisable by the investor w.e.f 1 April 2014 i.e. three years from the date of allotment 01 April, 2011 and if the said rights are not excercised, shall be redeemed by the Company at any time after seven years from the date of allotment. The Redeemption date has been extended for a further period of two years i.e. up to March 31, 2020 vide resolution of board of directors of DLF projects Limited held on March 23, 2018 and consent letter dated March 20, 2018 as received from DLF Limited. All the other terms and conditions of the said RPS remain the same.

		As at 31 March 2018	As at 31 March 2017
19	**Other Non- current Liabilities**		
	Other Non- current Liabilities	25,682,395	-
		25,682,395	-
20	**Trade payables**		
	A. Payable to micro enterprises and small enterprises	-	-
	B. Other payables		
	- Due to related parties (refer note 32)	54,984,525	36,296,690
	- Due to others	170,480,541	216,377,090
		225,465,064	252,673,781
21	**Other financial liabilities**		
	Deposits received towards earnest money	1,949,194	1,949,194
		1,949,194	1,949,194
22	**Other current liabilities**		
	Advance against construction contracts	7,485,911	57,236,156
	Employees related payables	86,532	25,496
	Statutory dues	5,025,308	928,936
	Payable to related parties (refer note 32)	60,622,474	65,648,154
	Others	-	5,585,292
	Deferred income	25,682,395	-
		98,902,619	129,424,035

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ANIL & ANIL ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

DLF Projects Limited
U45201HR2006PLC036025
Regd Office: 3rd Floor, Shopping Mall Complex Arjun Marg, DLF Phase-I ,Gurugram 122002, Haryana
Notes to the Financial Statements for the year ended 31 March, 2018
(All amounts are in ₹, unless otherwise stated)

	For the year ended March 31, 2018 (Audited) ₹	For the year ended March 31, 2017 (Audited) ₹
23 Revenue from operations		
Revenue from construction projects	1,646,948	6,027,141
Sale of construction material		1,023,300
Business support service	495,000	1,980,000
	2,141,948	9,030,441
24 Other income		
Interest income:		
- from bank deposits	7,299,474	11,080,405
- on loans to holding company	17,959	1,072,196
- on income-tax refunds	8,566,447	3,561,660
Interest income-IND AS	844,353	-
Scrap sales	1,589,955	649,594
Business support service	-	
Liabilities no longer required written back	-	
Unclaimed balances and excess provisions written back	-	-
Miscellaneous income	11,647,842	2,482,560
	29,966,030	18,846,415
25 Cost of construction		
Materials consumed	-	901,280
Cost of construction material	-	1,023,300
Sub contractors expenses	10,321,951	6,971,499
Power and fuel	370,706	1,105,872
Hire charges - plant and machinery and others	-	199,200
	10,692,657	10,201,151
26 Finance costs		
Interest expense		
-IND AS	755,725	-
Bank charges	3,271,644	2,886,681
	4,027,368	2,886,681
27 Depreciation and amortisation expense		
Depreciation expense (refer note 5)	9,103,792	16,449,057
Amortisation expense	-	9,932
	9,103,792	16,458,989
28 Other expenses		
Rates and taxes	7,531,725	1,588,407
Electricity, fuel and water		
Repair and maintenance:		
Buildings		
Machinery	-	-
Computers	-	28,300
Others	678,147	-
Insurance	127,684	1,088,858
Health and safety expenses	-	23,258
Travelling and conveyance	3,577	18,210
Vehicles running and maintenance	-	116,820
Security expenses	5,023,805	4,680,962
Loss on disposal of property, plant and equipment (net)	5,643,057	7,055,428
Printing and stationery	20,410	43,698
Communication	665	675,672
Inventory written off		
Legal and professional fees	13,350,809	10,960,474
Amount written off	31,021,385	-
Auditor remuneration	1,945,737	2,895,621
Directors fees	223,000	220,000
Provision for Doubtful	48,675	-
Bad debts written off	-	2,933,337
Provision against balance with government authorities	-	6,425,045
Miscellaneous expenses	44,746	10,506
	65,663,422	38,764,596

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ANIL & ANIL CHARTERED ACCOUNTANTS NEW DELHI

M

DLF Projects Limited

U45201HR2006PLC036025

Regd Office: 3rd Floor, Shopping Mall Complex Arjun Marg, DLF Phase-I ,Gurugram 122002, Haryana

Notes to the Financial Statements for the year ended 31 March, 2018

(All amounts are in ₹, unless otherwise stated)

	For the year ended March 31, 2018 (Audited)	For the year ended March 31, 2017 (Audited)
	₹	₹
29 Tax expenses		
Current tax (including earlier years)	7,023,800	-
Deferred tax charge/(credit)	-	-
Income tax expense as reported in the statement of profit and loss	7,023,800	-

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 25.75% and the reported tax expense in statement of profit or loss are as follows:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Reconciliation of tax expense and the accounting loss multiplied by tax rate		
Accounting loss before income tax	(57,379,261)	(40,434,562)
At country's statutory income tax rate of 25.75% (31 Mar 2017: 28.84%)	(14,775,160)	(11,661,328)
Tax impact of profit/loss on disposal of property, plant and equipment disallowed during the current year	1,194,798	2,034,786
Tax impact of provision for amount recoverable from government authority disallowed during the current year	7,023,800	1,852,983
Unabsorbed losses adjusted against proift for the year	-	-
Deferred tax asset not created in respect of unabsorbed losses *	13,580,361	7,773,559
Income tax expense	7,023,800	(0)

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
30 Profit/(Loss) per share		
Profit/(Loss) for the year	(64,403,061)	(40,434,562)
Profit/(Loss) attributable to equity shareholders	(64,403,061)	(40,434,562)
Weighted average number of equity shares	44,402,500	44,402,500
Nominal value of equity share (₹)	10	10
Profit/(Loss) per share- basic and diluted (₹)	(1.45)	(0.91)

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31 Financial risk management

i) Financial instruments by category

	31 March 2018	31 March 2017
Particulars	**Amortised cost**	**Amortised cost**
Financial assets		
Trade receivables	72,944,982	124,950,725
Loans (excluding security deposits)	-	-
Security deposit	11,737,210	11,737,210
Cash and equivalents	140,971,950	207,015,848
Other bank balance	-	160,000
Other financial assets	36,203,909	45,232,289
Total financial assets	**261,858,050**	**389,096,073**

	31 March 2018	31 March 2017
Particulars	**Amortised cost**	**Amortised cost**
Financial liabilities		
Borrowings	211,546,582	263,000,000
Trade payables	225,465,064	252,673,781
Other financial liabilities	1,949,194	1,949,194
Total financial liabilities	**438,960,841**	**517,622,974**

ii) Risk management

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

The Company's Board of Directors has the overall responsibility of the establishment and oversight of the Company's risk management framework. This

note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

(A) Credit risk

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

a) Credit risk management

i) Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.
A: Low credit risk
B: Moderate credit risk
C: High credit risk

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

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

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

Assets under credit risk –

Credit rating	Particulars	31 March 2018 (₹)	31 March 2017 (₹)
A: Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	261,858,050	389,096,073

Cash & cash equivalents

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

ii) Concentration of financial assets

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

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DLF Projects Limited
U45201HR2006PLC036025
Regd Office: 3rd Floor, Shopping Mall Complex Arjun Marg, DLF Phase-I ,Gurugram 122002, Haryana
Notes to the Financial Statements for the year ended 31 March, 2018
(All amounts are in ₹, unless otherwise stated)

32. Related party Disclosure

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

A Relationship

a) Holding Company:-
DLF Home Developers Limited

b) Ultimate holding Company:-
DLF Limited (upto 11-Mar-2018)
Rajdhani Investments & Agencies Private Limited (w.e.f. 12-Mar-2018)

c) Fellow subsidiary companies, partnership firms and association of persons (with whom there transactions during the year and closing balances at year end:-

Banjara Hills Hyderabad Complex(AOP)
DLF Home Services Limited
DLF City Centre Limited
DLF Commercial Developers Limited
DLF Cyber City Developers Limited
DLF Golf & Resorts Limited
DLF Homes Panchkula Private Limited
Lodhi Property company limited*
DLF Southern Homes Private Limited
DLF Southern Towns Private Limited
DLF Utilities Limited
GSG DRDL Consortium
DLF Luxury Homes Limited (Formerly known as DLF GK Residency Limited)
DLF Infocity Developers (Chennai) Limited
DLF South Point Limited
DLF New Ggn Homes Dev
Star Alubuild Pvt Ltd

* DLF Hotel Holdings Ltd is merged with Lodhi Property company limited wide court order dated 20th February, 2018

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

Particulars	Company Name	Ultimate Holding Company		Holding Company		Fellow subsidiaries	
		For the year ended 31 March 2018 (₹)	For the year ended 31 March 2017 (₹)	For the year ended 31 March 2018 (₹)	For the year ended 31 March 2017 (₹)	For the year ended 31 March 2018 (₹)	For the year ended 31 March 2017 (₹)
Construction and project revenue	DLF Limited	-	-	-	-	-	-
	DLF Home Developers Limited	-	-	-	6,027,141	-	-
Interest income	DLF Home Developers Limited			17,959	1,072,196		
Business support expenses	DLF Home Developers Limited	-	-	-	-	-	-
	DLF Home Services Private Limited	-	-	-	-	-	-
Repayment of loans received including interest	DLF Home Developers Limited	-	-	8,895,117	964,976	-	-
Payments made on behalf of the Company by DLF Limited:							
Bank, LC charges and insurance cost	DLF Limited	3,271,644	2,868,471	-	-	-	-
Finance costs -IND AS	DLF Limited	755,725					
Interest income-IND AS	DLF Limited	844,353	-				

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C Balances at year end*

Particulars	Company Name	Ultimate Holding Company: For the year ended 31 March 2018 (₹)	Ultimate Holding Company: For the year ended 31 March 2017 (₹)	Holding Company: For the year ended 31 March 2018 (₹)	Holding Company: For the year ended 31 March 2017 (₹)	Fellow subsidiaries: For the year ended 31 March 2018 (₹)	Fellow subsidiaries: For the year ended 31 March 2017 (₹)
Trade payables	DLF Limited	882.00	8,119,633.00	-	-	-	-
	DLF Home Developers Limited	-	-	54,960,553.71	8,595,916.35	-	-
	DLF Utilities Limited	-	-	-	-	-	5,821,657.00
	Lodhi Property company limited	-	-	-	-	-	5,494.00
	DLF Cyber City Developers Limited	-	-	-	-	-	12,626,953.00
	DLF Golf & Resorts Limited	-	-	-	-	-	106,232.00
	DLF Southern Homes Private Limited (till 20 March 2017)	-	-	-	-	-	-
	DLF Homes Panchkula Private Limited	-	-	-	-	-	311,547.00
	DLF Southern Towns Private Limited	-	-	-	-	-	688,923.00
	DLF Home Services Limited	-	-	-	-	23,089.00	20,149.00
Other payables	DLF Home Developers Limited	-	-	33,127,237.21	31,656,508.00	-	-
	DLF Limited	20,045,378.39	44,496.39	-	-	-	-
	DLF Cyber City Developers Limited	-	-	-	-	-	10,481,089.00
	DLF Utilities Limited	-	-	-	-	5,821,656.60	5,821,657.00
	DLF Universal Limited	-	-	-	-	-	16,537,701.85
	DLF Southern Homes Private Limited (till 20 March 2017)	-	-	-	-	-	-
	DLF Homes Panchkula Private Limited	-	-	-	-	311,547.00	311,547.00
	DLF Home Services Limited					20,149.00	-
	GSG DRDL Consortium					1,184,776.95	
	Lodhi Property company limited					5,494.00	
	DLF Southern Towns Private Limited	-	-	-	-	-	688,923.00
	DLF Golf & Resorts Limited	-	-	-	-	106,232.00	106,232.00
Other payables-6% non-cumulative redeemable preference shares of ₹10 each							
-Borrowings		211,546,582	263,000,000				
-Other non -current liabilities-IND AS		25,682,395	-		-	-	
Other current liabilities-Deferred income IND-AS		25,682,395	-				
Advance against construction contracts	DLF Limited	-	20,000,000.00	-	-	-	-
	GSG DRDL Consortium	-	-	-	-	-	1,184,776.95
	DLF City Centre Limited	-	-	-	-	-	8,689,247.00
	Banjara Hills Hyderabad Complex(AOI	-	-	-	-	-	5,631,146.00
	Lodhi Property company limited	-	-	-	-	-	5,494.00
Loan given	DLF Home Developers Limited	-	-	-	8,100,000.00	-	-
Interest accrued on loan given	DLF Home Developers Limited	-	-	16,163.00	795,117.00	-	-
Trade receivables	DLF Limited	41,074,322.52	68,902,603.34	-	-	-	-
	DLF Home Developers Limited	-	-	6,710,364.63	6,710,365.41	-	-
	DLF Cyber City Developers Limited	-	-	-	-	19,750.00	19,750.05
	DLF Southern Towns Private Limited	-	-	-	-	-	198,145.06
Loans and advances	DLF Utilities Limited	-	-	-	-	-	1,470.00

Maximum amount outstanding at any time during the year

Particulars	Company Name	For the year ended 31 March 2018 (₹)	For the year ended 31 March 2017 (₹)				
Loans to group companies	DLF Home Developers Limited	8,100,000	8,100,000				

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

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35. Contingent liabilities and commitments

	As at 31 March 2018 (Audited) (₹)	As at 31 March 2017 (Audited) (₹)
Contingent liabilities		
Other matters for which the Company is contingently liable		
- Income-tax demand (refer note A)	77,381,312	59,578,191
- Value added tax demand including penalities (refer note B)	454,116,051	568,335,937
- Service tax demand (refer note C)	233,697,910	334,859,899
	765,195,273	962,774,027

Note A

Income-tax demand comprises of the following:

(i) Income Tax matter in respect of regular assessment for the assessment year 2008-09, pending before Income Tax Appellate Tribunal.	-	3,410,536
(ii) Income Tax matter in respect of regular assessment for the assessment year 2009-10, pending before Income Tax Appellate Tribunal.	31,203,545	31,067,815
(iii) Income Tax matter in respect of regular assessment for the assessment year 2010-11, pending before Income Tax Appellate Tribunal..	25,099,844	25,099,840
(iv) Income Tax matter in respect of regular assessment for the assessment year 2011-12, pending before Income Tax Appellate Tribunal..	2,325,948	-
(v) Income Tax matter in respect of regular assessment for the assessment year 2012-13, pending before Income Tax Appellate Tribunal..	2,636,929	-
(vi) Income Tax matter in respect of merged entity M/s DLF Construction Limited in respect of re-assessment for the assessment year 2010-11, pending before CIT(A).	16,115,046	-
	77,381,312	59,578,191

Note B

Value added tax demand comprises of the following:

(i) Appeal is pending before Appellate Tribunal in respect of demand raised by Government of West Bengal Commercial Taxes Department for the years ended 2009-10 which has been assessed by Deputy Commissioner, Commercial Taxes on account of Value Added Taxes.	-	-
(ii) Appeal is pending before Appellate Tribunal in respect of demand raised by Government of West Bengal Commercial Taxes Department for the years ended 2011-12 and 2012-13 which has been assessed by Deputy Commissioner, Commercial Taxes on account of Value Added Taxes.	16,436,612	16,436,612
(iii) Appeal is pending before Joint Commissioner (Appeals) in respect of demand raised by Government of West Bengal Commercial Taxes Department for the years ended 2011-12 and 2012-13. which has been assessed by Deputy Commissioner, Commercial Taxes on account of Value Added Taxes.	6,341,185	6,341,185
(iii) Appeal is pending before Hon'ble Allahabad High Court in respect of demand raised by Government of Uttar Pradesh Commercial Taxes Department for the period from 2006-07	4,733,963	4,733,963
(v) Appeal is pending before Additional Commissioner (Appeals) in respect of demand raised by Government of Uttar Pradesh Commercial Taxes Department for the period from 2009-10 to 2011-12	13,694,614	13,694,614
(vi) Appeal is pending before Tribunal, Noida in respect of demand raised by Government of Uttar Pradesh Commercial Taxes Department for the period from 2007-08 to 2008-09	-	-
(vii) Appeal is pending befor Joint Commissioner (South), Chennai in respect of rejection of refund of input tax credit in SEZ projects for the year ended 2007-08 to 2011-12	17,165,593	17,165,593

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(viii) Appeal is pending befor Tamil Nadu, High court in respect of entry tax demands raised for the year ended 2008-09	679,065	679,065
(ix) Appeal is pending in respect of tax imposed on SEZ sales for period from 2007-08 to 2009-10 where the company has filed Writ Petition with Tamilnadu High Court vide WP 5187 to 5189 dt. 05.03.2012	192,218,752	192,218,752
(x) Security deposit collected by CTO walayar check post, Kerala for the year 2009-10	38,180	38,180
(xi) Asst. Commissioner (Appeals) Ernakulam, Squad No.IV of secutiry for detention of vechicle at check post in Ernakulam, Kochi	-	-
(xii) filed written against assessment Order No: 32072053803/2009-10 dated 06-03-2017 and high court has given the 100% stay. Stay Order awaited. For 2009-10	41,874,946	41,874,946
(xiii) Demand raised by Joint Exice and Taxation Commissioner (Appeals), Faridabad on account of disallowance of deductions for the year ended 2011-12	-	131,470,903
(xiv) Demand raised by Joint Exice and Taxation Commissioner (Appeals), Faridabad on account of assessing all projects (including projects opted composition) under non-composition scheme for the year ended 2011-12 and 2012-13	143,682,124	143,682,124
(xv) Appeal is pending before the Deputy Commissioner (Appeals) , Kerala in respect of disallowance of labour and other related expense	1,516,447	-
(xvi) Appeal is pending before the VAT Officer , Delhi in respect of disallowance of labour and other related expense	15,734,570	-
	454,116,051	568,335,937

Note C

Service tax demand comprises

(i) Demand raised by Commissioner, Service tax, Delhi for reversal of wrongly availed cenvat credit and demand of service tax on corporate guarantee given to its subsidiary.	2,243,966	-
(ii) Demand raised by Commissioner, Service tax Delhi in respect to services provided to SEZ for the period March 2009 to May 2009 on account of service tax against which appeal is pending before CESTAT, New Delhi.	41,564,326	41,564,326
(iii) Demand raised by Additional Director General, Directorate General of Central Excise Intelligence, New Delhi, vide SCN F.No. DGCEI/DZU/INV/RMC/177/2011/4430- 4440 dt. 30/09/2013 towards Central Excise Duty on manufacturing of Ready Mix Concrete for the period March 2011 to May 2012	-	17,240,084
(iv) Demand of differential Service Tax on account of denial of benefit of 12/2003 & switching over based on CBEC Circular No.98/1/2008-ST dt. 04/01/2008 from construction service to works contract service for the period 2011-12	9,985,648	9,985,648
(v) Deparment has filed appeal vide Appeal No. ST/59419/2013-CU [DB] dt. 27/08/2013 against O-I-O for demand of penalty U/s 78 & service tax on services provided to SEZ between 03/03/2009 to 19/05/2009.	-	86,165,871
(v) Deparment has filed appeal for re-computation / re-quantification of the demand against O-I-O vide Appeal No. ST/55405/2014-CU[DB] dt. 26/06/2014 for demand of service tax which has been dropped by Commissioner (Adj.) for the period 2011-12.	179,903,970	179,903,970
	233,697,910	334,859,899

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DLF Projects Limited
CIN:-U45201HR2006PLC036025
Regd Office: 3rd Floor, Shopping Mall Complex Arjun Marg, DLF Phase-I, Gurugram-122002, Haryana

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

1. **Nature of principal activities**

DLF Projects Limited ("the Company") is engaged in construction and engineering works for the real estate projects as well as managing and constructing fit outs in apartments. Out of the total equity share capital of the company, 90.09% of the share capital is held by DLF Home Developers Limited, the holding company, DLF Limited is the ultimate holding company. The registered office address of the Company is 1-E, Jhandewalan Extension Naaz Cinema Complex New Delhi – 110055.

2. **Basis of preparation**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) & the provisions of the Companies Act , 2013 ('Act') (to the extent notified) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017.

The financial statements for the year ended March 31, 2018 were authorized and approved for issue by the Board of Directors on May 14, 2018

3. **Recent Accounting Pronouncements –**
(Standards, not yet effective and have not been adopted early by the Company)

Information on new standards, amendments and interpretations that are expected to be relevant to the financial statements is provided below.

Ind AS 115 'Revenue from Contracts with Customers' (Ind AS 115)

There is one new standard issued by MCA (not yet effective) for revenue recognition which overhauls the existing revenue recognition standards Ind AS 18 – Revenue and Ind AS 11 – Construction contracts. The new standard provides a control-based revenue recognition model and provides a five-step application principle to be followed for revenue recognition:

i. Identification of the contracts with the customer
ii. Identification of the performance obligations in the contract
iii. Determination of the transaction price
iv. Allocation of transaction price to the performance obligations in the contract (as identified in step ii)
v. Recognition of revenue when performance obligation is satisfied.

The effective date of the new standard has not yet been notified by the MCA. The management is yet to assess the impact of this new standard on the Company's financial statements.

4. **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.

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DLF Projects Limited
CIN:-U45201HR2006PLC036025
Regd Office: 3rd Floor, Shopping Mall Complex Arjun Marg, DLF Phase-I, Gurugram-122002, Haryana

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

4.1 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.

4.2 Revenue recognition

Revenue from operations:
Revenue from cost plus contracts is recognized with respect to the recoverable costs incurred during the period plus the margin in accordance with the terms of the agreement.

Revenue from fixed price contracts is recognized under percentage of completion method. Percentage of completion is determined as a proportion of cost incurred up to the reporting date to the total estimated contract cost.

Full provision is made for any losses in the period in which they are foreseen.
Interest income
Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

4.3 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.

4.4 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)
Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013:

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Asset category	Useful life (in years)
Plant and machinery	15
Computers and data processing units	
Servers and networks	6
Desktops, laptops and other devices	3
Furniture and fixtures	10
Office equipment	5
Vehicles	
Motor cycles, scooters and other mopeds	10
Motor cars	8

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.

4.5 Other intangible assets

Recognition and initial measurement
Intangible assets 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.

Subsequent measurement (amortisation)
The cost of capitalized software is amortized over a period in the range of 5 years from the date of its acquisition.

4.6 Operating leases

Leases in which the lessor does not transfer substantially all the risks and rewards of ownership of an asset to the lessee are classified as operating leases.

Company as a lessee
Lease rental are charged to statement of profit and loss on straight-line basis except where scheduled increase in rent compensates the lessor for expected inflationary costs.

4.7 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.

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4.8 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 weighted average of 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, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. 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
In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets
In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

4.9 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
Financial instruments at 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.

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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. These liabilities are classified as amortised cost.

Subsequent measurement
These liabilities include 'are 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.

4.10 Inventories

Raw materials, stores, spares, loose tools, consumables (including form work) and safety items are valued at lower of weighted average cost or net realisable value. Cost includes freight and other related incidental expenses and is determined on weighted average cost method.

4.11 Foreign currency translation

Functional and presentation currency
The financial statements are presented in Indian Rupee ('INR') which is also the functional and presentation currency of the Company.

Transactions and balances
Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

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Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

4.12 Income taxes

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

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Current income tax relating to items recognised outside profit or loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred income taxes are calculated using the liability method. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group'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 or credit. 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 the statement of profit and 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, 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.

4.13 Cash and cash equivalents

Cash and cash equivalents for the purpose of presentation in the statement of cash flow, cash at bank and in hand, and demand deposits with banks/corporations with an original maturity of 3 months or less, which are subject to an insignificant risk of changes in value.

4.14 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.

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

4.15 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.

4.16 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 in respect of the outstanding pending litigations. However the actual future outcome may be different from this judgement.

Significant estimates

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be different

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DLF Projects Limited
CIN:-U45201HR2006PLC036025
Regd Office: 3rd Floor, Shopping Mall Complex Arjun Marg, DLF Phase-I, Gurugram-122002, Haryana

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Revenue and inventories – The Company recognises revenue using the percentage of completion method. This requires forecasts to be made of the outcomes of long-term construction contracts and agreements to sell, which require assessments and judgements to be made on changes in work scopes, claims and incentive payments, rebates and discounts to the extent they are probable and they are capable of being reliably measured.

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 certain software, customer relationships, IT equipment and other plant and equipment.

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.

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36. The Company is primarily engaged in the business of construction and engineering works for the real estate projects as well as managing and constructing fit-outs in apartments, which as per Indian Accounting Standard – 108 on 'Operating Segments' is considered to be the only reportable business segment. The Company is operating in India which is considered as a single geographical segment.

37. Information in accordance with the requirements of Indian Accounting Standards (Ind AS) 11 on 'Construction Contracts' as notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 by Ministry of Corporate Affairs('MCA') :

Particulars	31 March 2018	31 March 2017
Contract revenues recognized as revenue for the year	1,646,948	6,027,141
Aggregate amount of contract costs incurred and recognized profits (less recognized losses) for contracts in progress up to the reporting date (Amt rounded up in Rs. '000)	8,825,029,948	8,823,383,000
The amount of customer advances outstanding for contracts in progress	7,485,911	57,236,156
The amount of retention due from customers for contracts in progress (included in trade receivables)	Nil	Nil
Gross amount due from customers for contract work as an asset.	Nil	65,316,183
Gross amount due to customers for contract work as a liability	Nil	Nil

38. All loans as disclosed in respective notes are given for business purposes.

39. During the current year, Company has sold significant amount of property, plant and equipment, on account of completion of its various projects in the previous year. The gross value of the assets disposed off being ₹ 1,36,11,227 (previous year ₹ 2,24,71,954), accumulated depreciation as on date of sale being ₹ 14,59,546 (previous year ₹ 22,98,970), sold at a loss of ₹ 56,43,057 (previous year ₹ 70,55,428).

40. In the opinion of the Board of Directors, current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet and provisions for all known/expected liabilities have been made.

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41. On 1 July 2014, all the employees of the Company were transferred to group companies along with the provisions for gratuity and compensated absences standing as on that date. Further, the Company has not dissolved the plan asset as on 31 March 2018 and has initiated the process of dissolution of the aforementioned plan asset. An application dated 15 March 2017 for the winding up of DLF Projects Employees Group Gratuity Scheme ('the Scheme') has been submitted to the Principal Commissioner of Income –Tax, Gurgaon, along with a copy of board resolution of the Company duly approving the winding up of the Scheme, and the dissolution deed to this effect.

Its value represents the fair value amounting to ₹ 36,187,746 (disclosed under other financial assets) of the plan asset as on 1 July 2014. The Company has prudently not recognised any gain or loss after 1 July 2014 on the aforementioned plan asset.

For and on behalf of the Board of Directors

DLF Projects Limited

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Alok Kumar
Director
DIN:06412803

C.P. Poonacha
Director
DIN:00074337

K K Sharma
Chief Financial

Raju Paul
Company Secretary

Place: Gurgaon
Date: 14th may 2018

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