AUDITOR'S REPORT

TO THE MEMBERS OF DLF UNIVERSAL LIMITED

Report on Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **DLF Universal Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2018, and the Statement of Profit and Loss (including other Comprehensive Income), Cash Flow Statement and the Statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Responsibilities

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 Rules made thereunder.

We conducted our audit of the Ind AS financial statements 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 perform the audit to obtain reasonable assurance about whether the Ind AS financials statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgement, 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

A R G & Co. LLP CHARTERED ACCOUNTANTS DELHI 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 Director, as well as evaluating the overall presentation of the Ind AS financials 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 state of affairs (financial position) of the Company as at March 31, 2018, and its loss (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by Central Government of India in terms of Section 143(11) of the act, we give in "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

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

   e) On the basis of the written representations received from the Directors as on 31st March, 2018, and taken on record by the Board of Directors, we report that 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.

   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 B";

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i.) The Company does not have any pending litigations which would impact its financial position expect as disclosed in note no. 36 of the financial statements.

      ii.) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

For and on behalf of
ARG & Co. LLP
Chartered Accountants
(FRN: 010630N/N500036)

Manmohan Bhatnagar
(Partner)
M. No. 514261
Firm Regn no. 010630N/N500036
Place: New Delhi
Date: 14th May, 2018

"Annexure A" to the Auditor's Report of even date to the members of DLF Universal Limited, on the Ind AS financial statements for the year ended on 31st March 2018.

Based on the audit procedures performed for the purpose of expressing an opinion on the true and fair view of the Ind AS financial statements of the company and considering the information and explanations given to us and books of accounts and other records provided to us during the normal course of audit, we hereby report that:-

i)

a) According to the information and explanations given to us, the Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

b) According to the information and explanations given to us, the fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the books records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.

c) According to the information provided to us, the company has no immovable property. Hence the provision of clause 1(c) of the order is not applicable.

ii) According to the information and explanations given to us, the company has no inventory. Hence the clause (ii) of the order is not applicable.

iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnership (LLPs) or other party covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) & (c) of the order are not applicable.

iv) According to information and explanation provided to us, the company has not entered into any transaction covered under Section 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

v) During the year, the company has not accepted any deposits as defined in section 73 and section 76 of the Companies Act, 2013 or rules made thereunder. Accordingly the provision of clause 3(v) of the order is not applicable to the company.

vi) According to the information and explanations provided to us, the Companies (Cost Records & Audit) Rules 2014, are not applicable to the Company. Accordingly, the provision of the clause 3(vi) of the order is not applicable to the company.

vii)

a) According to the records of the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty, value added tax and cess were outstanding, as at 31.03.2018 for a period of more than six months from the date they became payable.

b) As per the information and explanations given to us, no dispute is pending on account of any dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax.

viii) In our opinion and according to the information and explanations given to us, the company has not obtained any loans or borrowings from any financial institution, Bank, Government or debenture holders. Accordingly the provision of clause 3(viii) of the order is not applicable to the company.

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CHARTERED ACCOUNTANTS
DELHI

ix) According to the information & explanation given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loan. Accordingly the provision of clause 3(ix) of the order is not applicable to the company.

x) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud by the company or no fraud on the company by its officers or employees has been noticed or reported during the year.

xi) According to the information & explanation given to us, the company has not paid or provided any managerial remuneration as defined by the provisions of the section 197 of the Companies Act, 2013. Accordingly the provision of clause 3(xi) of the order is not applicable to the company.

xii) In our opinion and according to the information & explanation given to us, the company is not a nidhi company. Hence the provision of clause 3(xii) of the order is not applicable to the company.

xiii) During the year, the company has entered into transactions with related parties in compliance with the provisions of the sections 177 & 188 of the Companies Act, 2013. The details of such transactions have been properly disclosed in the Ind AS financial statements as required by the applicable accounting standard.

xiv) According to the information & explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly the provision of clause 3(xiv) of the order is not applicable to the company.

xv) According to the information & explanation given to us, the company has not entered into any non-cash transaction with directors or any person connected with him. Accordingly the provision of clause 3(xv) of the order is not applicable to the company.

xvi) In our opinion and according to the information & explanation given to us, the company is not required to be registered under section 45-IA of the Reserves Bank of India Act, 1934. Accordingly the provision of clause 3(xvi) of the order is not applicable to the company.

For and on behalf of
ARG & Co. LLP
Chartered Accountants
(FRN: 010630N/N500036)

ARG & Co LLP Chartered Accountants Delhi

Manmohan Bhatnagar
Partner
M.No. 514261
FRN: 010630N/N500036
Place: New Delhi
Date: 14th May, 2018

Annexure - B to the Auditors' Report

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

In conjunction with our audit of the Ind AS financial statements of the Company as of and for the year ended 31st March 2018, we have audited the internal financial controls over financial reporting of **DLF Universal Limited**.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the company, are 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.

Auditors' 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") issued by ICAI 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 issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

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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 31 March 2018, 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 ICAI.

For and on behalf of
ARG & Co. LLP
Chartered Accountants
(FRN: 010630N/N500036)

Manmohan Bhatnagar
Partner
M.No.: 514261
FRN: 010630N/N500036
Place: New Delhi
Date: 14th May, 2018

DLF Universal Limited

CIN NO: U65993HR1980PLC034800

Shopping Mall, 3rd Floor , Arjun Marg, DLF City Phsae 1 Gurugram Haryana

Statement of Assets and Liabilities

(Amount in Rs)

Particulars	As on March 31, 2018 (Audited)	As on March 31, 2017 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	13,697,687	17,015,692
Capital work-in-progress		27,558,444
Other intangible assets	709,180	733,886
Financial assets		
Loans	2,344,320	22,949,565
Deferred tax assets (net)	962,451	962,450
Non-current tax assets (net)	564,038,394	557,716,320
Other non-current assets	931,925	1,441,715
	582,683,957	**628,378,072**
Current assets		
Financial assets		
Trade receivables	43,879,196	125,171,851
Cash and cash equivalents	30,365,411	10,837,632
Loans	22,900,283	-
Other current assets	11,706,560	11,181,503
	108,851,450	**147,190,986**
	691,535,407	**775,569,058**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	500,000	500,000
Other equity	(680,785,774)	(617,444,819)
Total equity	**(680,285,774)**	**(616,944,819)**
Non-current liabilities		
Other financial liabilities	2,085,129	23,047,820
Other non-current liabilities	597,293	740,295
	2,682,421	**23,788,116**
Current liabilities		
Financial liabilities		
Borrowings	447,000,000	336,973,356
Trade payables	18,270,709	12,093,327
Other financial liabilities	840,523,981	892,267,747
Other current liabilities	63,344,069	127,391,331
	1,369,138,759	**1,368,725,761**
	691,535,407	**775,569,058**

1. DLF Universal Limited ("the Company" or "the Assessee") was incorporated originally on 29 December 1995 as 'Jai Yatayat Limited'. The name of this entity was changed to 'DLF Universal Limited' on 23 July 2010. The Company is engaged in the business of development of real estate and leasing.

2. The above financials have been prepared in accordance with IND AS 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 and other recognised accounting practices and policies to the extent applicable.

3. The Above yearly results have been reviewed and approved by the Board of Directors on 14/5/18 The Statutory auditors of the Company have carried out a audit of the standalone Audit financial results for the quarter and year ended 31st March 2018.

4. The net worth of the Company as at March 31, 2018 has been completely eroded. However, the ultimate holding company has assured continued financial support for the future operations of the Company. Based on this, the financial statements have been prepared on a going concern basis.

5 Previous year figures has been regrouped wherever considered necessary.

For and on behalf of
A R G & Co. LLP
Chartered Accountants
(FRN : 010630N/N500036)

A R G & Co. LLP CHARTERED ACCOUNTANTS DELHI

Manmohan Bhatnagar
Partner
Membership No.: 514261

Place : Gurugram
Date : 14/05/18

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

Rajeev Talwar
Director
DIN: 01440785

Anil Kumar
Director
DIN: 07349564

DLF Universal Limited - Food court
U65993HR1980PLC034800
Shopping Mall, 3rd Floor , Arjun Marg, DLF City Phsae I Gurugram Haryana

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

(` Amount in Rs)

SL NO.	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		31.3.2018 (Audited)	31.12.2017 (Unaudited)	31.3.2017 (Audited)	31.3.2018 (Audited)	31.3.2017 (Audited)
1	**Income**					
	a) Revenue from operations	28,213,315	28,064,839	28,674,841	115,087,336	111,168,325
	b) Other income	2,303,964	3,589,494	3,374,994	9,072,371	11,933,370
	Total income	**30,517,280**	**31,654,333**	**32,049,835**	**124,159,707**	**123,101,695**
2	**Expenses**					
	a) Cost of land, plots, constructed properties, development rights and others					
	b) Employee benefits expense					
	c) Finance costs	13,254,451	9,783,803	11,927,597	43,469,696	46,008,120
	d) Depreciation and amortisation expense	842,128	956,833	1,204,296	3,741,375	7,465,634
	e) Other expenses	35,725,115	28,906,969	37,822,524	140,289,591	148,707,252
	Total expenses	**49,821,694**	**39,647,605**	**50,954,417**	**187,500,662**	**202,181,006**
3	**Profit before exceptional items, tax, share of (loss) in associates and joint ventures (1-2)**	**(19,304,415)**	**(7,993,273)**	**(18,904,582)**	**(63,340,955)**	**(79,079,311)**
4	Exceptional items (net)					
5	**Profit before tax, share of (loss) in associates and joint ventures (3+4)**	**(19,304,415)**	**(7,993,273)**	**(18,904,582)**	**(63,340,955)**	**(79,079,311)**
6	Tax expense*					
7	**Profit after tax and before share of (loss)/profit in associates and joint ventures (5-6)**	**(19,304,415)**	**(7,993,273)**	**(18,904,582)**	**(63,340,955)**	**(79,079,311)**
8	Share of (loss) in associates and joint ventures (net)					
9	**Net profit for the period/year (7+8)**	**(19,304,415)**	**(7,993,273)**	**(18,904,582)**	**(63,340,955)**	**(79,079,311)**
10	**Other comprehensive income/(loss)**					
	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)**	**(19,304,415)**	**(7,993,273)**	**(18,904,582)**	**(63,340,955)**	**(79,079,311)**
12	**Net profit for the period/year attributable to:**					
	Owners of the holding company					
	Non-controlling interests	(19,304,415)	(7,993,273)	(18,904,582)	(63,340,955)	(79,079,311)
13	**Other comprehensive income/(loss) attributable to:**					
	Owners of holding company					
	Non-controlling interests					
14	**Total comprehensive income attributable to:**					
	Owners of the holding company	(19,304,415)	(7,993,273)	(18,904,582)	(63,340,955)	(79,079,311)
	Non-controlling interests					
15	Paid-up equity share capital (face value of ₹ 10 per share)	500,000.00	500,000.00	500,000.00	500,000	500,000
16	Other equity					(617,443,818)
17	**Earnings per equity share (face value of ₹ 10 per share) (not annualised)**					
	Basic (₹)	(38.61)	(15.99)	(37.81)	(126.68)	(158.16)
	Diluted (₹)	(38.61)	(15.99)	(37.81)	(126.68)	(158.16)

* Tax expense includes deferred tax and minimum alternate tax

For and on behalf of
A R G & Co. LLP
Chartered Accountants
(FRN : 010630N/N500036)

A R G & Co. LLP CHARTERED ACCOUNTANTS DELHI

Manmohan Bhatnagar
Partner
Membership No.: 514261

Place : Gurugram
Date : 14/05/18

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

Rajeev Talwar
Director
DIN: 01440785

Anil Kumar
Director
DIN: 07349564

DLF Universal Limited
CIN NO: U65993HR1980PLC034800
DLF Centre, Sansad Marg, New Delhi-110001,
Balance Sheet for the year ended 31st March 2018

(Amount in Rs.)

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	1,36,97,687	1,70,15,692
(b) Capital work-in-progress	6	-	2,75,58,444
(c) Other intangible assets	7	7,09,180	7,33,886
(d) Financial assets			
Loans	8	23,44,320	2,29,49,565
(e) Deferred tax assets	9	9,62,451	9,62,450
(f) Non-current tax assets (net)	10	56,40,38,394	55,77,16,320
(g) Other non current assets	11	9,31,925	14,41,715
		58,26,83,957	62,83,78,072
Current assets			
(a) Financial assets			
Trade receivables	12	4,38,79,196	12,51,71,851
Cash and cash equivalents	13	3,03,65,411	1,08,37,632
Loans	14	2,29,00,283	-
(b) Other current assets	15	1,17,06,560	1,11,81,503
		10,88,51,450	14,71,90,986
Total Assets		69,15,35,407	77,55,69,058
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	5,00,000	5,00,000
(b) Other Equity		(68,07,85,774)	(61,74,44,819)
		(68,02,85,774)	(61,69,44,819)
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
Other financial liabiltiies	17	20,85,129	2,30,47,820
(b) Other non current liabilities	18	5,97,293	7,40,295
		26,82,421	2,37,88,116
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	44,70,00,000	33,69,73,356
(ii) Trade payables	20	1,82,70,709	1,20,93,327
(iii) Other financial liabilities	21	84,05,23,981	89,22,67,747
(b) Other current liabilities	22	6,33,44,069	12,73,91,331
		1,36,91,38,759	1,36,87,25,761
Total Equity & Liabilities		69,15,35,407	77,55,69,058

The accompanying notes from 1 to 42 forms an integral part of the financial statements

Based on our report of even date attached.

For and on behalf of
A R G & Co. LLP
Chartered Accountants
(FRN : 010630N/N500036)

A R G & Co. LLP CHARTERED ACCOUNTANTS DELHI

Manmohan Bhatnagar
Partner
Membership No.: 514261

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

Rajeev Talwar
Director
DIN: 01440785

Anil Kumar
Director
DIN: 07349564

Place : Gurugram
Date : 14/05/18

DLF Universal Limited
CIN NO: U65993HR1980PLC034800
Shopping Mall, 3rd Floor , Arjun Marg, DLF City Phase 1, Gurugram, Haryana
Statement of Profit and Loss for the year ended 31st March 2018

Particulars	Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
REVENUE			
Revenue from operations	23	115,087,336	111,168,325
Other income	24	9,072,371	11,933,370
Total		**124,159,707**	**123,101,695**
EXPENSES			
Finance costs	25	43,469,696	46,008,120
Depreciation and amortization expense	26	3,741,375	7,465,634
Other expenses	27	140,289,591	148,707,252
Total		**187,500,662**	**202,181,006**
Loss before the tax		(63,340,955)	(79,079,311)
Tax expense	28		
Current tax		-	-
Deferred tax charge		-	-
		-	-
Loss after the tax		**(63,340,955)**	**(79,079,311)**
Other comprehensive income			
A i)Items that will not be reclassified to profit and loss		-	-
ii)Income tax relating to items that will not be reclassified to profit or loss		-	-
B i)Items that will be reclassified to profit or loss		-	-
ii)Income tax relating to items that will be reclassified to profit or loss		-	-
Total comprehensive income for the period/year		**(63,340,955)**	**(79,079,311)**
Earnings per equity share	29		
Basic		**(1,266.82)**	**(1,581.59)**
Diluted		**(1,266.82)**	**(1,581.59)**

The accompanying notes from 1 to 43 form an integral part of the financial statements

Based on our report of even date attached.

For and on behalf of
A R G & Co. LLP
Chartered Accountants
(FRN : 010630N/N500036)

A R G & Co. LLP
Chartered Accountants
DELHI

Manmohan Bhatnagar
Partner
Membership No.: 514261

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

Rajeev Talwar
Director
DIN: 01440785

Anil Kumar
Director
DIN: 07349564

Place : Gurugram
Date : 14/05/18

DLF Universal Limited
CIN NO: U65993HR1980PLC034800
Shopping Mall, 3rd Floor , Arjun Marg, DLF City Phase 1, Gurugram, Haryana
Cash flow statement for the year ended 31st March 2018

Particulars	For the year ended 31st March 2018 (Audited)	For the year ended 31st March 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before tax from continuing operations	**(63,340,955)**	**(79,079,311)**
Adjustments for :		
Depreciation	3,741,375	7,465,634
Amortisation of deferred income	(4,319,247)	(2,507,615)
Interest on financial instruments	4,157,460	-
Finance costs	41,042,777	46,008,120
Operating (loss) before working capital changes	**(18,718,590)**	**(28,113,172)**
Movements in working capital :		
(Increase)/decrease in Trade receivables	81,292,655	(38,713,279)
(Increase)/decrease in other current assets	(1,928,202)	1,013,955
Increase/(decrease) in Other current liabilities	(64,422,156)	(139,743,052)
Increase/(decrease) in Trade and other payables	6,177,382	(12,101,386)
Cash generated from/used in operations	2,401,089	(217,656,933)
Direct taxes paid (net)	(6,322,073)	180,225,316
Net cash used in operating activites (A)	**(3,920,984)**	**(37,431,618)**
B. CASH FLOW FROM INVESTING ACTIVITES		
Purchase of fixed assets	(397,663)	(49,470)
Security Deposit Received	426,062	-
Proceeds from disposal of fixed assets (including capital work in progress)	27,558,444	15,851,076
Net cash gererated from investing activites (B)	**27,586,843**	**15,801,606**
C. CASH FLOW FORM FINANCING ACTIVITES		
Finance charges	(114,164,724)	(4,365,042)
Brrowings Repaid	110,026,644	20,000,000
Net cash (used in)/gererated from financing activites (C)	**(4,138,080)**	**15,634,958**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**19,527,779**	**(5,995,054)**
Cash and cash equivalents at the beginning of the year	10,837,632	16,832,686
Cash and cash equivalents at the end of the year	30,365,411	10,837,632
	19,527,779	**(5,995,054)**

The accompanying notes from 1 to 43 form an integral part of the financial statements

Based on our report of even date attached.

For and on behalf of
A R G & Co. LLP
Chartered Accountants
(FRN : 010630N/N500036)

A R G & Co. LLP CHARTERED ACCOUNTANTS DELHI

Manmohan Bhatnagar
Partner
Membership No.: 514261

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

Rajeev Talwar
Director
DIN: 01440785

Anil Kumar
Director
DIN: 07349564

Place : Gurugram
Date : 14/05/18

DLF Universal Limited
CIN NO- U65993HR1980PLC034869
Shopping Mall, 3rd Floor , Arjun Marg, DLF City Phase 1, Gurugram, Haryana
Notes to the Financial Statements for the year ended 31st March 2018

A. Equity share capital

Particulars	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
Total	500,000	-	500,000

B. Other equity

Particulars	Share application money pending allotment	Equity component of compound financial	Capital Reserve	Reserves and surplus			Debt instruments through other Comprehensive Income	Equity instruments through other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of other Comprehensive Income	Money received against share warrants	Total
				Securities Premium Reserve	Other Reserves	Retained Earnings								
Balance at the beginning of the reporting year	-	-	-	-	-	(617,444,819)	-	-	-	-	-	-		(617,444,819)
Changes in accounting policy or prior year errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting year		-	-	-	-	(617,444,819)	-	-	-	-	-	-		(617,444,819)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-		-
Transfer to retained earnings	-	-	-	-	-	(63,340,955)	-	-	-	-	-	-	-	(63,340,955)
Any other change	-	-	-	-	-	-	-	-	-	-	-	-		-
Balance at the end of the reporting year	-	-	-	-	-	(680,785,774)	-	-	-	-	-	-	-	(680,785,774)

The above statement of change in equity form an integral part of these financial statement

For and on behalf of
A R G & Co. LLP
Chartered Accountants
(FRN : 010630N/N500036)

A R G & Co. LLP
CHARTERED ACCOUNTANTS
DELHI

Manmohan Bhatnagar
Partner
Membership No. 514261

Place : Gurugram
Date : 14/05/18

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

Rajeev Talwar
Director
DIN: 01440785

Anil Kumar
Director
DIN: 07349564

DLF Universal Limited
CIN No.: U65993HR1988PLC034800
Shopping Mall, 3rd Floor, Arjun Marg, DLF City Phase 1, Gurugram, Haryana
Notes to the Financial Statements for the year ended 31st March ~~2018~~ 2017

A. Equity share capital

Particulars	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
Total	500,000	-	500,000

B. Other equity

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Capital Reserve	Reserves and surplus: Securities Premium Reserve	Reserves and surplus: Other Reserves	Reserves and surplus: Retained Earnings	Debt instruments through other Comprehensive Income	Equity instruments through other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of other Comprehensive Income	Money received against share warrants	Total
Balance at the beginning of the reporting year	-	-	-	-	-	(538,365,507)	-	-	-	-	-	-	-	(538,365,507)
Changes in accounting policy or prior year errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting year	-	-	-	-	-	(538,365,507)	-	-	-	-	-	-	-	(538,365,507)
Total Comprehensive Income for the year	-	-	-	-	-	(79,079,313)	-	-	-	-	-	-	-	(79,079,313)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting year	-	-	-	-	-	(617,444,819)	-	-	-	-	-	-	-	(617,444,819)

The above statement of change in equity form an integral part of these financial statement

For and on behalf of
A R G & Co. LLP
Chartered Accountants
(FRN : 010630N/N500036)

Manmohan Bhatnagar
Partner
Membership No.: 514261

Place : Gurugram
Date : 14/05/18

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

Rajeev Talwar
Director
DIN: 01440785

Anil Kumar
Director
DIN: 07349564

DLF Universal Limited
CIN NO: U65993HR1980PLC034800
Shopping Mall, 3rd Floor , Arjun Marg, DLF City Phase 1, Gurugram, Haryana
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

1. Corporate Information

Nature of Operations

DLF Universal Limited ("the Company" or "the Assessee") was incorporated originally on 29 December 1995 as 'Jai Yatayat Limited'. The name of this entity was changed to 'DLF Universal Limited' on 23 July 2010. The Company is engaged in the business of development of real estate and leasing.

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

2. Recent Accounting Pronouncement

Appendix B to Ind AS 21, on foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:
• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

3. General information and statement of compliance with Ind AS

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 the following –

- Certain financial assets and liabilities and contingent consideration which are measured at fair value;
- Defined benefit plans – plan assets measured at fair value; and
- Share bases payments which are measured at fair value of the options

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The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amended Rules issued thereafter.

Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards", with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out below.

The Company previously had a "Real Estate Undertaking" ("transferor undertaking") and "Food Court Undertaking". The Hon'ble High Court of Punjab & Haryana at Chandigarh and of Delhi at New Delhi, Vide their order dated 29 March 2016 and 11 November 2016 respectively, approved the arrangement as embodied in the Scheme of Amalgamation ("the Scheme") of the merger of the Demerged Real Estate Undertaking of DLF Universal Limited with DLF Home Developers Limited having an appointed date 01 April 2014. In accordance with this Scheme, only the Food Court Undertaking forms the remaining part of the Company. Accordingly, these financial statements including the comparatives, have been prepared post effect of the Scheme (Refer Note 38).

4. Summary of significant accounting policies

a) Overall consideration

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.

b) Use of estimates

The preparation of financial statements in conformity with IND AS requires management of the company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities on the date of the financial statements and the results of operations during the reporting years. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognised in the current and future periods.

c) Current versus non-current classification

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

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

  All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

  All other liabilities are classified as non-current.

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

d) Revenue recognition

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

Rental income

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

Service and maintenance income

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

Interest Income

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

e) 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.

f) Property, plant and equipment

Recognition and initial measurement

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

Subsequent measurement (depreciation and useful lives)

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

Asset category	Estimated useful life (in years)

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Plant and machinery	15
Computers and data processing units	
Desktops, laptops and other devices	3
Furniture and fixtures	8
Office equipment	5
Leasehold improvements	Over the effective term of the lease

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

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

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

g) Other intangible assets

Recognition and initial measurement

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

Subsequent measurement (amortisation)

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

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

h) Operating leases

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

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

i) Impairment of non-financial assets

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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.

j) **Financial instruments**

Recognition of Financial Instruments:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments.

Loans & advances and all other regular way purchases or sales of financial assets are recognised and derecognised on the trade date. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Initial recognition
Financial assets and financial liabilities are initially measured at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from their respective fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the statement of profit or loss.

Subsequent measurement
Financial Assets:

(i) **Financial Assets carried at Amortised Cost (AC):**
A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) **Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI):**
A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial Assets at Fair Value through Profit or Loss (FVTPL):
A financial asset which is not classified in any of the above categories are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Company has not designated any debt instrument as at FVTPL.
Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Revenue from operations' line item.

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(iv) Effective Interest Method:

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees that form an integral part of the effective interest rate, transaction costs and premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

(b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. In cases where the amounts are expected to be realized up to one year from the date of the invoice, loss for the time value of money is not recognized, since the same is not considered to be material.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument 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.

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.

(vi) Derecognition of Financial Assets:
The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset accounted under Ind AS 109 in its entirety, the difference between the asset's carrying amount and the sum of consideration received and receivable is recognized in the statement of profit or loss.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset shall be allocated between the part that continues to be recognised and the part that is derecognised, on the basis of the relative fair values of those parts on the date of the transfer.

(vii) Modification/ Revision in Estimates of Cash Flows of Financial Assets:

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with Ind AS 109, The Company recalculates the gross carrying amount of the financial asset and recognizes a modification gain or loss in profit or loss.

Various quantitative and qualitative factors are considered to determine whether the renegotiated terms are substantially different and whether the same would amount to extinguishment of financial asset and recognition of a new financial asset. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred are adjusted to the carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

(viii) Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains / losses (including impairment gains or losses) or interest.

Financial Liabilities and Equity Instruments:

(i) Classification as Debt or Equity:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(ii) Equity Instruments:

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An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(iii) Financial Liabilities :

A financial liability is any liability that is:

(a) Contractual Obligation :

• to deliver cash or another financial asset to another entity; or

• to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity.

(b) a contract that will or may be settled in the entity's own equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

The Company has not designated any financial liabilities at FVTPL.

(iv) Derecognition of Financial Liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit or loss.

(v) Offsetting of Financial Assets and Financial Liabilities:

The Company offsets financial assets and financial liabilities in the balance sheet when:

- the Company currently has a legally enforceable right to offset the amounts; and

it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

k) Income taxes

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

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act and in the overseas branches/companies as per the respective tax laws. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in 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-

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