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**S.R. BATLIBOI & CO. LLP**  
Chartered Accountants

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of DLF Homes Panchkula Private Limited

We have audited the accompanying interim financial statements of DLF Homes Panchkula Private Limited ("the Company"), which comprise the interim Balance Sheet as at August 25, 2014, the interim Statement of Profit and Loss and interim Cash Flow Statement for the period April 01, 2014 to August 25, 2014 and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Interim Financial Statements**

Management is responsible for the preparation of these interim financial statements in accordance with the requirements of Accounting Standard (AS) 25 Interim Financial Reporting, notified under section 133 of the Companies Act 2013, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these interim financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the interim financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the interim financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the interim financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the interim financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the interim financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Basis for Qualified Opinion**

*As stated in Note 36 of the interim financial statements, the Company has not furnished the comparative statements of profit and loss for the comparable interim period from April 01, 2013 to August 25, 2013 and comparative cash flow statement for the comparable period of the immediately preceding financial year in accordance with the requirements of Accounting Standard (AS) 25- Interim Financial Reporting, notified under the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014. However, the same does not have any impact on the reported loss for the period under audit.*

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, *except for the matter related to non-furnishing of comparative information in the Statement of profit and loss and cash flow statement reported above*, the accompanying interim financial statements have been prepared, in all material respects, in accordance with the requirements of Accounting Standard (AS) 25- Interim Financial Reporting, notified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.




# S.R. BATLIBOI & Co. LLP

Chartered Accountants

## Other matters- restriction of use

We have performed the audit at the request of the Board of Directors of the Company, solely for use by the Company in connection with the preparation of consolidated financial statements of DLF Limited for the year ended March 31, 2015. Accordingly, this report should not be used for any other purpose or referred to in any other document, or distributed to anyone other than the Board of Directors.

For S.R. Batliboi & Co LLP  
Firm's Registration Number: 301003E  
Chartered Accountants

  
per Amit Gupta  
Partner  
Membership Number: 501396



Place: Amsterdam  
Date: May 15, 2015

# S.R. BATLIBOI & Co. LLP

Chartered Accountants

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: DLF Homes Panchkula Private Limited ("the Company")

- (i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
b) The fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (ii) The Company does not hold any inventories of finished goods, stores, spare parts and raw materials. With regard to Land and development rights in land held for the Real Estate Projects, included under the head 'Inventories', the Company is maintaining proper records of inventory. Accordingly, provisions of clause 3 (ii) (a) and (b) of the Order, are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us and having regard to the explanation that purchases of certain items included under inventory are of proprietary nature for which alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas. The activities of the company did not involve sale of services during the year.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013 related to the Company's real estate projects and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) a) Undisputed statutory dues including provident fund, income-tax, sales-tax, wealth tax, service tax, customs duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions related to employee's state insurance and excise duty are not applicable to the Company.  
b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, sales tax, wealth tax, service tax, customs duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions related to employee's state insurance and excise duty are not applicable to the Company.




# S.R. BATLIBOI & Co. LLP

Chartered Accountants

- c) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 ( 1 of 1956) and rules made thereunder.
- (viii) The Company's accumulated losses at the end of the financial year are less than fifty percent of its net worth but it has incurred cash losses in the current year. The Company had not incurred cash loss in the immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, the Company has defaulted in repayment of interest on compulsorily convertible debenture amounting of Rs. 106,247,340, which became due for payment on April 1, 2014 and were in arrears as on balance sheet date. As per the information and explanation given by the management, the Company has no outstanding dues in respect of bank or financial institutions.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E

  
Partner

Membership Number: 501396



Place: Amsterdam  
Date: May 15, 2015

DLF Homes Panchkula Private Limited  
Balance Sheet as at March 31, 2015


	Notes	March 31, 2015 Rs.	March 31, 2014 Rs.
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	619,660	300,890
Reserves and surplus	4	2,312,277,199	1,023,078,532
		<u>2,312,896,859</u>	<u>1,023,379,422</u>
<b>Non-current liabilities</b>			
Long-term borrowings	5	-	-
Long-term provisions	6	1,599,077	1,038,226
		<u>1,599,077</u>	<u>1,038,226</u>
<b>Current liabilities</b>			
Short-term borrowings	7	1,569,767,000	641,899,000
Trade payables	8	1,480,178,045	1,656,274,133
Other current liabilities	8	1,537,802,074	3,351,118,393
Short-term provisions	6	1,451,366	1,639,456
		<u>4,589,198,485</u>	<u>5,650,930,982</u>
<b>Total</b>		<u><u>6,903,694,421</u></u>	<u><u>6,675,348,630</u></u>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	9	62,960,789	66,701,951
Deferred tax asset (net)	10	50,061,765	112,364,038
Loans and advances	14	14,967,072	2,083,374
		<u>127,989,626</u>	<u>181,149,363</u>
<b>Current assets</b>			
Inventories	11	4,943,318,717	4,323,782,757
Trade receivables	12.1	361,665,887	398,217,575
Cash and bank balances	13	87,593,590	59,719,557
Loans and advances	14	292,359,029	440,818,223
Other current assets	12.2	1,090,767,572	1,271,661,153
		<u>6,775,004,795</u>	<u>6,494,199,265</u>
<b>Total</b>		<u><u>6,903,694,421</u></u>	<u><u>6,675,348,630</u></u>

Significant accounting policies 2.1

The accompanying notes are integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP  
Firm Registration No. 301003E  
Chartered Accountants

  
per Anil Gupta  
Partner  
Membership No.: 501396



For and on behalf of the Board of Directors of  
DLF Homes Panchkula Private Limited

  
Surojit Basak  
Director

  
Manoj Talwar  
Director

Place : Amsterdam  
Date : May 15, 2015

Place : Gurgaon  
Date : May 15, 2015

DLF Homes Panchkula Private Limited  
Statement of profit and loss for the year ended March 31, 2015

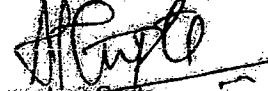
	Notes	March 31, 2015 Rs.	March 31, 2014 Rs.
<b>Income</b>			
Revenue from operations	15	870,083,669	1,728,755,157
Other income	16	7,484,795	1,693,671
<b>Total</b>		<b>877,568,464</b>	<b>1,730,448,828</b>
<b>Expenses</b>			
Cost of sales	17	944,320,131	1,395,928,510
Employee benefits expense	18	3,749,480	4,404,483
Finance cost	19	87,774,651	168,020,023
Other expenses	20	80,013,330	156,564,926
Depreciation expense	9	3,741,162	2,107,066
<b>Total</b>		<b>1,119,598,754</b>	<b>1,727,025,008</b>
<b>Continuing operations</b>			
Profit/(loss) from continuing operations before tax		(242,030,290)	3,423,820
<b>Tax expense:</b>			
Current tax - Minimum Alternate Tax (MAT)		-	719,714
Less: MAT Credit entitlement		-	(719,714)
Net Current tax expense		-	-
Deferred tax expense/(credit)		62,302,273	(663,309)
<b>Profit/(loss) for the year</b>		<b>(304,332,563)</b>	<b>4,087,129</b>
<b>Earnings/(loss) per equity share (nominal value of share : Rs. 10 (March 31, 2014: Rs. 10)) -</b>			
	21		
<b>Basic</b>			
Computed on the basis of profit/(loss) from continuing operations		(6,232.68)	135.83
<b>Diluted</b>			
Computed on the basis of profit/(loss) from continuing operations		(6,232.68)	135.83

Significant accounting policies 2.1

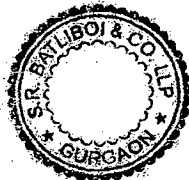
The accompanying notes are integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP  
Firm Registration No. 301003E  
Chartered Accountants


  
per Amit Gupta  
Partner  
Membership No.: 501396

Place: Amsterdam  
Date: May 15, 2015



For and on behalf of the Board of Directors of  
DLF Homes Panchkula Private Limited

  
Surojit Basak  
Director

  
Manoj Talwar  
Director

Place: Gurgaon  
Date: May 15, 2015