

# Walker Chandiook & Co LLP

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## Independent Auditor's Report

### To the Members of DLF Homes Developers Limited

#### Report on the Financial Statements

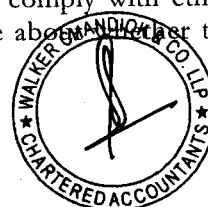
1. We have audited the accompanying financial statements of DLF Homes Developers Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, its losses and cash flows for the year ended on that date.

## Emphasis of Matter

9. We draw attention to a matter pending with Competition Appellate Tribunal (COMPAT) and Securities Appellate Tribunal (SAT), which is explained in further detail in Note 33(c) and 33(d) respectively to the financial statements which describes the uncertainty relating to the outcome of these matters pending in litigations at different levels, pending the final outcome of the aforesaid matters, which is presently unascertainable, no adjustments have been made in the accompanying financial statements. Our opinion is not qualified in respect of these matters.
10. We draw attention to Note 35 to the financial statements which describes that during the year ended 31 March 2015, the Company has paid managerial remuneration aggregating ₹ 841.77 lacs, in excess of limits prescribed under the provisions of the Companies Act, 2013. The Company has submitted necessary application(s) with the Central Government which are pending approval as on date. Pending the final outcome of the aforesaid matter which is presently unascertainable, no adjustments have been recorded in the accompanying financial statements. Our opinion is not qualified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. 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;
  - d. the financial statements dealt with by this report are in agreement with the books of account;
  - e. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);



# Walker Chandiook & Co LLP

- f. the matter described in paragraph 9 under the Emphasis of Matter paragraph, in case of an unfavorable decision against the Company, in our opinion, may have an adverse effect on the functioning of the Company;
- g. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act;
- i. 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 33 (b) to 33(g) 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 for which there were any material foreseeable losses;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

*Walker Chandiook & Co*

For Walker Chandiook & Co LLP

(formerly Walker, Chandiook & Co)

Chartered Accountants

Firm Registration No.: 001076N/N500013

*Sumit Mahajan*

per Sumit Mahajan

Partner

Membership No. 504822

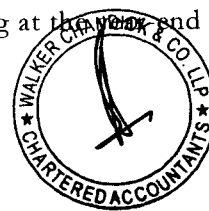
Place: New Delhi

Date: 19 May 2015

## Annexure to the Independent Auditor's Report of even date to the members of DLF Homes Developers Limited, on the financial statements for the year ended 31 March 2015

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year however there is a regular program of verification once in three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory represented by development rights. For inventory represented by development rights at the year-end, written confirmations have been obtained by the management.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- (iv) In our opinion, 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 and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act and are of opinion that, *prima facie*, the prescribed amounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end and for a period of more than six months from the date they became payable.



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Annexure to the Independent Auditor's Report of even date to the members of DLF Homes Developers Limited, on the financial statements for the year ended 31 March 2015

(b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Amount paid under protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	885.22	450.00	Assessment year 2005-06	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	165.85	-	Assessment year 2007-08	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	165.85	-	Assessment year 2007-08	Hon'ble Supreme Court
Income Tax Act, 1961	Income tax	3.54	-	Assessment year 2007-08	Hon'ble High Court
Income Tax Act, 1961	Income tax	2,165.20	-	Assessment year 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	3,297.23	-	Assessment year 2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	3,881.72	-	Assessment year 2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	3,621.12	-	Assessment year 2011-12	Commissioner of Income Tax (Appeals)
Kerala Value Added Tax Act, 2003	Value added tax	215.11	64.53	Financial year 2007-08	Deputy Commissioner (Appeals)
Kerala Value Added Tax Act, 2003	Value added tax	106.02	106.02	Financial year 2008-09	Deputy Commissioner (Appeals)
Kerala Value Added Tax Act, 2003	Value added tax	209.45	52.36	Financial year 2009-10	Kerala Appellate Tribunal
Kerala Value Added Tax Act, 2003	Value added tax	16.50	-	Financial year 2009-10	Kerala High Court
The Haryana Value Added Tax Act, 2003	Value added tax	513.65	513.65	Financial year 2009-10	Haryana Appellate Tribunal

(c) 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. Accordingly, the provisions of clause 3(vii)(c) of the Order are not applicable



# Walker Chandiook & Co LLP

## Annexure to the Independent Auditor's Report of even date to the members of DLF Homes Developers Limited, on the financial statements for the year ended 31 March 2015

- (viii) In our opinion, the Company has no accumulated losses at the end of the financial year. The Company has incurred cash losses in the current and the immediately preceding financial year.
- (ix) In our opinion, the Company has not defaulted in repayment of dues to any financial institution or a bank or to debenture-holders during the year.
- (x) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not, *prima facie*, prejudicial to the interest of the Company.
- (xi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

*Walker Chandiook & Co*

For ~~Walker Chandiook & Co LLP~~

(formerly *Walker, Chandiook & Co*)

Chartered Accountants

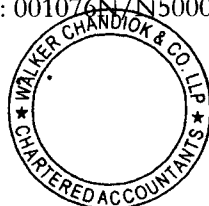
Firm's Registration No.: 001076N/N500013

*Sumit Mahajan*

per Sumit Mahajan

Partner

Membership No.: 504822



Place: New Delhi

Date: 19 May 2015

**DLF Home Developers Limited**  
**Balance Sheet as at 31 March 2015**

	Notes	31 March 2015 (₹ in lacs)	31 March 2014 (₹ in lacs)
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	5	92,782.79	92,665.38
Shares pending allotment	5(f)	-	117.41
Reserves and surplus	6	50,262.19	94,805.87
		<u>143,044.98</u>	<u>187,588.66</u>
<b>Non-current liabilities</b>			
Long-term borrowings	7	471,045.02	256,973.84
Other long term liabilities	8	511.81	564.83
Long-term provisions	9	1,858.77	1,546.76
		<u>* 473,415.60</u>	<u>259,085.43</u>
<b>Current liabilities</b>			
Short-term borrowings	10	186,924.60	229,466.40
Trade payables	11	32,495.20	39,036.64
Other current liabilities	12	217,973.31	225,035.03
Short-term provisions	9	187.61	338.06
		<u>437,580.72</u>	<u>493,876.13</u>
		<u><b>1,054,041.30</b></u>	<u><b>940,550.22</b></u>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	13(l)	13,375.81	12,792.08
Intangible assets	13(II)	12.05	2.07
Capital work-in-progress	13(III)	11,706.91	4,171.51
Non-current investments	14	313,384.19	309,672.23
Deferred tax assets (net)	16	63,762.60	42,496.44
Long-term loans and advances	17	129,490.13	123,405.37
		<u>531,731.69</u>	<u>492,539.70</u>
<b>Current assets</b>			
Current investments	15	9,927.34	10,017.65
Inventories	18	223,904.48	195,556.01
Trade receivables	19	17,026.70	16,745.62
Cash and bank balances	20	33,976.53	62,408.52
Short-term loans and advances	17	205,572.74	111,519.52
Other current assets	21	31,901.82	51,763.20
		<u>522,309.61</u>	<u>448,010.52</u>
		<u><b>1,054,041.30</b></u>	<u><b>940,550.22</b></u>

Notes 1 to 58 form an integral part of these financial statements.

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

*Walker Chandok & Co*

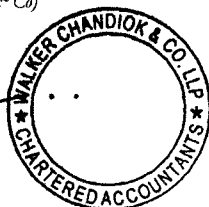
For Walker Chandok & Co LLP

(formerly Walker, Chandok & Co)

Chartered Accountants

*Sumit Mahajan*

per Sumit Mahajan  
Partner



For and on behalf of the Board of Directors of  
**DLF Home Developers Limited**

*Ashok Kumar Tyagi*

Ashok Kumar Tyagi  
Director  
(DIN-00254161)

*Devinder Singh*

Devinder Singh  
Managing Director  
(DIN-02569464)

*Shiv Kumar Gupta*

Shiv Kumar Gupta  
Chief Financial Officer

*Ankur Jain*

Ankur Jain  
Company Secretary  
(Membership No. - A13315)

Place : New Delhi  
 Date : 19 May 2015



**DLF Home Developers Limited**  
**Statement of Profit and Loss for the year ended 31 March 2015**

	Notes	31 March 2015 (₹ in lacs)	31 March 2014 (₹ in lacs)
<b>Revenue</b>			
Revenue from operations	22	30,871.03	58,353.14
Other income	23	25,210.39	30,153.21
		<b>56,081.42</b>	<b>88,506.35</b>
<b>Expenses</b>			
Cost of sales	24	28,509.77	54,898.68
Employee benefits expense	25	5,965.10	4,212.05
Finance costs	26	74,148.79	77,042.17
Depreciation and amortization expense	13	1,377.61	1,546.36
Other expenses	27	9,428.66	8,253.53
Golf course expenses	28	3,459.83	3,031.33
Prior period item	29	(1,359.91)	-
		<b>121,529.85</b>	<b>148,984.12</b>
<b>Loss before exceptional items and tax</b>		<b>(65,448.43)</b>	<b>(60,477.77)</b>
<b>Exceptional items</b>	56	-	6,129.40
<b>Loss before tax and prior period item</b>		<b>(65,448.43)</b>	<b>(54,348.37)</b>
<b>Tax credit</b>			
Deferred tax		(21,144.78)	(14,442.11)
<b>Tax expense/(credit) relating to earlier years on account of amalgamation</b>			
Income tax		-	-
Deferred tax		-	-
<b>Total tax credit</b>		<b>(21,144.78)</b>	<b>(14,442.11)</b>
<b>Loss for the year</b>		<b>(44,303.65)</b>	<b>(39,906.26)</b>
<b>Loss per equity share (₹)</b> (Basic and diluted)	30	(105)	(97)

Notes 1 to 58 form an integral part of these financial statements.

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

*Walker Chandniok & Co*

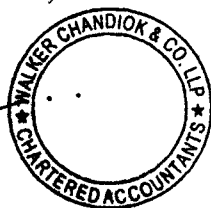
For Walker Chandniok & Co LLP

(formerly Walker, Chandniok & Co)

Chartered Accountants

*Sumit Mahajan*

per Sumit Mahajan  
Partner



For and on behalf of the Board of Directors of  
DLF Home Developers Limited

*Devinder Singh*

Devinder Singh  
Managing Director  
(DIN- 02569464)

*Ashok Kumar Tyagi*

Ashok Kumar Tyagi  
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Chief Financial Officer

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(Membership No. - A13315)

Place : New Delhi  
Date : 19 May 2015

