

# Walker Chandlok & Co LLP

Walker Chandlok & Co LLP  
(Formerly Walker, Chandlok & Co)  
L-41 Connaught Circus  
New Delhi 110001  
India

## Independent Auditor's Report

To the Members of DLF City Developers Private Limited

T +91 11 4278 7070  
F +91 11 4278 7071

## Report on the Financial Statements

1. We have audited the accompanying financial statements of DLF City Developers ("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.



Chartered Accountants

Offices in Bengaluru, Chandigarh Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune

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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 standalone 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 loss and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

9. 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.
10. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the financial statements dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
  - e. on the basis of the written representations received from the directors 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;



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- f. 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
  - 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 LLP*

For Walker Chandiook & Co LLP  
(Formerly Walker, Chandiook & Co)  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

*Manish*

per Manish Agrawal  
Partner  
Membership No.: 507080



Place : Gurgaon  
Date : 18 May 2015

# Walker Chandiook & Co LLP

Annexure to the Independent Auditor's Report of even date to the members of DLF City Developers Private 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 does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.
- (ii) (a) Inventory of the Company comprises of development rights for land and construction work in progress. The inventory (except stocks represented by development rights) has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (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 for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. Further, there are no transactions pertaining to purchase of fixed assets or sales of goods. Accordingly, clause 3(iv) of the Order with respect to purchase of fixed assets and sale of goods is not applicable.
- (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) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (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 for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess that have not been deposited with the appropriate authorities on account of any dispute.



# Walker Chandiook & Co LLP

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

- (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.
- (viii) In our opinion, the Company's accumulated losses at the end of the financial year are more than fifty per cent of its net worth. Further, the Company has incurred cash losses in the current and the immediately preceding previous year.
- (ix) The Company has no dues payable to a financial institution or a bank or debenture-holders during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable.
- (xi) The Company did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.
- (xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

*Walker Chandiook & Co LLP*

For Walker Chandiook & Co LLP  
(formerly Walker, Chandiook & Co)  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

*Manish*  
per Manish Agrawal  
Partner  
Membership No.: 50100



Place : Gurgaon  
Date : 18 May 2015

**DLF City Developers Private Limited**  
**Balance Sheet as at 31 March 2015**

	Notes	31 March 2015 ₹	31 March 2014 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	100,000	100,000
Reserves and surplus	4	(439,946,162)	(360,056,577)
		<u>(439,846,162)</u>	<u>(359,956,577)</u>
<b>Non-current liabilities</b>			
Long-term borrowings	5	6,862,094,000	6,862,094,000
		<u>6,862,094,000</u>	<u>6,862,094,000</u>
<b>Current liabilities</b>			
Trade payables	6	555,787,838	412,699,924
Other current liabilities	7	7,029,657,140	5,854,168,284
		<u>7,585,444,978</u>	<u>6,266,868,208</u>
		<u>14,007,692,816</u>	<u>12,769,005,631</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Long term loan and advances	8	38,934,477	28,495,022
Deferred tax assets	9	232,836,691	185,401,045
		<u>271,771,168</u>	<u>213,896,067</u>
<b>Current assets</b>			
Inventories	10	9,849,204,930	8,539,971,189
Cash and cash equivalents	11	29,041,263	16,094,694
Short-term loans and advances	12	3,841,084,929	3,999,043,681
Other current assets	13	16,590,526	-
		<u>13,735,921,648</u>	<u>12,555,109,564</u>
		<u>14,007,692,816</u>	<u>12,769,005,631</u>

Notes 1 to 27 form an integral part of these financial statements

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

*Walker Chandiook & Co LLP*  
**For Walker Chandiook & Co LLP**  
*(formerly Walker, Chandiook & Co)*  
Chartered Accountants

per Manish Agarwal  
Partner

Place: Gurgaon  
Date: 18 May 2015



For and on behalf of the board of directors of  
**DLF City Developers Private Limited**

*Agam Kumar Gupta*  
**Agam Kumar Gupta**  
Director  
DIN No.- 00007927

*Arvind Singh*  
**Arvind Singh**  
Director  
DIN No.- 02254826

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

	Notes	31 March 2015	31 March 2014
		₹	₹
<b>Revenue</b>			
Revenue from operations	14	1,317,392	367,900
Other income	15	19,685,357	3,241,489
		<u>21,002,749</u>	<u>3,609,389</u>
<b>Expenses</b>			
Finance cost	16	8,836,215	14,068,439
Other expenses	17	139,491,765	526,496,387
		<u>148,327,980</u>	<u>540,564,826</u>
<b>Loss before tax</b>		<b>(127,325,231)</b>	<b>(536,955,437)</b>
<b>Tax credit</b>			
Deferred tax credit		(47,435,646)	(182,775,680)
<b>Total tax credit</b>		<b>(47,435,646)</b>	<b>(182,775,680)</b>
<b>Loss for the year</b>		<b>(79,889,585)</b>	<b>(354,179,757)</b>
<b>Loss per equity share ( * )</b> (Basic and diluted)	18	(7,989)	(35,418)

Notes 1 to 27 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 LLP*

For **Walker Chandniok & Co LLP**  
(formerly *Walker, Chandniok & Co*)  
Chartered Accountants

per **Manish Agarwal**  
Partner



Place: Gurgaon  
Date: 18 May 2015

For and on behalf of the board of directors of  
**DLF City Developers Private Limited**

*Agan Kumar Gupta*  
**Agan Kumar Gupta**  
Director  
DIN No.- 00007927

*Arvind Singh*  
**Arvind Singh**  
Director  
DIN No.- 02254826