

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
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Independent Auditor's Report

To the Members of DLF Cyber City Developers Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of DLF Cyber City 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.



Chartered Accountants

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

Walker Chandiook & Co LLP is registered with limited liability
with identification number AAC-2085 and its registered
office at L-41 Connaught Circus, New Delhi, 110001, India

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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, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note 34.4 to the financial statements which describe the uncertainty related to the outcome of the legal matter in respect of cancellation of sale deed of land related to IT SEZ Gurgaon, which is currently pending litigation. Pending the final outcome of the aforesaid matter, which is presently unascertainable, no adjustments have been made in the financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. 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.
11. 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);



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- e. the litigation 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;
- f. 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;
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. as detailed in Note 34.1 and 34.4 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 LLP

~~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.: 50482



Place: Gurgaon

Date: 19 May 2015

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Annexure to the Independent Auditor's Report of even date to the members of DLF Cyber City 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) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
 - (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) Owing to the nature of its business, the Company does not sell any goods. Accordingly, clause 4(iv) of the Order with respect to sale of goods is not applicable. 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 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 in respect of Company's products/services and are of the opinion that, *prima facie*, the prescribed accounts 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 for a period of more than six months from the date they became payable
 - (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:



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Name of the statute	Nature of dues	Amount (Rs. in lacs)	Amount Paid Under Protest (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	12,543.62	807.87	Financial Year 2007-08 to Financial Year 2011-12	Central Excise and Service Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	1.53	Nil	Assessment Year 2008-09	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income tax	55,884.66	12,767.69	Assessment Year 2008-09	High Court of Punjab and Haryana
Income Tax Act, 1961	Income tax	7,010.60	3,577.61	Assessment Year 2009-10	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income tax	3,360.68	3,360.68	Assessment Year 2010-11	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income tax	14,806.84	14,993.08	Assessment Year 2011-12	Commissioner of Income Tax (Appeal)
Haryana Value Added Tax Act, 2003	Value added tax	1,098.32	Nil	Financial Year 2011-12	Joint Excise & Taxation Commissioner (Appeal)

- (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 has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (ix) The Company has not defaulted in repayment of dues to any bank or financial institution during the year. The Company did not have any outstanding debentures 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.



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

- (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 LLP

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: Gurgaon

Date: 19 May 2015

DLF Cyber City Developers Limited
Balance Sheet as at 31 March 2015

		(Rs in lacs)	
		As at	As at
	Note	31 March 2015	31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	358,088.64	322,250.00
Reserves and surplus	3	356,654.19	328,402.64
		<u>714,742.83</u>	<u>650,652.64</u>
Non-current liabilities			
Long-term borrowings	4	163,042.01	71,739.65
Deferred tax liabilities (net)	5	4,207.07	3,409.66
Other long term liabilities	6	55,495.42	53,372.25
Long-term provisions	7	180.33	166.95
		<u>222,924.83</u>	<u>128,688.51</u>
Current liabilities			
Short-term borrowings	8	10,146.38	3,306.00
Trade payables	9	6,075.04	5,449.19
Other current liabilities	10	49,821.12	35,635.44
Short-term provisions	11	46,768.58	51,309.84
		<u>112,811.12</u>	<u>95,720.47</u>
		<u>1,050,478.78</u>	<u>875,061.62</u>
ASSETS			
Non-current assets			
Fixed assets			
- Tangible assets	12	266,575.76	210,607.30
- Intangible assets	13	20.98	31.98
- Capital work-in-progress		3,254.99	2,794.72
Non-current investments	14	264,862.48	182,939.72
Long-term loans and advances	15	220,818.69	245,043.78
Other non current assets	16	6,250.82	1,543.38
		<u>761,783.72</u>	<u>642,960.88</u>
Current assets			
Current investments	17	-	37,529.52
Inventories	18	363.80	513.28
Trade receivables	19	116,889.88	120,575.06
Cash and bank balances	20	48,644.33	8,568.91
Short-term loans and advances	21	94,986.56	42,269.72
Other current assets	22	27,810.49	22,643.85
		<u>288,695.06</u>	<u>232,100.74</u>
		<u>1,050,478.78</u>	<u>875,061.62</u>

Significant accounting policies


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

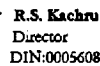
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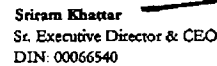
For and on behalf of the Board of Directors


Navia Kedia
Chief Financial Officer

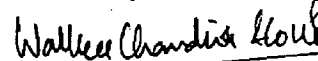

R.P. Punjani
Company Secretary
M.No. F3757


Ashok Kumar Tyagi
Director
DIN: 00254161

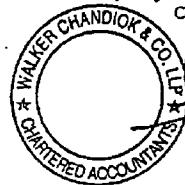

R.S. Kachru
Director
DIN: 0005608


Sriram Khattar
Sr. Executive Director & CEO
DIN: 00066540

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


Walker Chandniak

For Walker Chandniak & Co LLP
(formerly Walker, Chandniak & Co)
Chartered Accountants




per Sumit Mahajan
Partner

Place: Gurgaon
Date: 19 May 2015

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

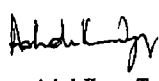
		(Rs in lacs)	
	Note	Year ended 31 March 2015	Year ended 31 March 2014
Income			
Revenue from operations	23	134,034.72	132,768.05
Other income	24	<u>35,367.02</u>	<u>24,643.94</u>
		<u>169,401.74</u>	<u>157,411.99</u>
Expenses			
Cost of development		16.80	3,509.25
Employee benefits expense	25	1,713.25	1,164.17
Finance costs	26	23,149.72	14,408.33
Depreciation and amortization expense	12 & 13	8,551.38	5,976.68
Other expenses	27	<u>47,024.06</u>	<u>44,489.31</u>
		<u>80,455.21</u>	<u>69,547.74</u>
Profit before tax		88,946.53	87,864.25
Tax expense			
Current tax		18,700.65	18,493.18
Minimum alternate tax credit entitlement		(4,802.39)	(2,607.70)
Deferred tax charge		858.14	416.66
		<u>14,756.40</u>	<u>16,292.14</u>
Profit after tax		<u>74,190.13</u>	<u>71,562.11</u>
Earnings per equity share			
Basic	28	3.75	3.64
Diluted		2.91	2.86

Significant accounting policies
 The accompanying notes are an integral part of the financial statements.


For and on behalf of the Board of Directors


 Navin Kedia
 Chief Financial Officer

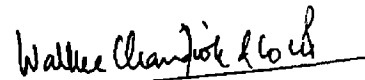

 R.P. Punjani
 Company Secretary
 M.No. F3757


 Ashok Kumar Tyagi
 Director
 DIN: 00254161


 R. S. Kachru
 Director
 DIN: 0005608

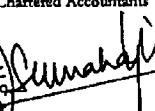

 Sriram Khattar
 Sr. Executive Director
 DIN: 00066540

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



For Walker Chandio & Co LLP
 (formerly Walker, Chandio & Co)
 Chartered Accountants




 per Sumit Mahajan
 Partner

Place: Gurgaon
 Date: 19 May 2015