

Walker Chandiook & Co LLP

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

Independent Auditor's Report

To the Members of DLF GK Residency Limited

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Report on the Financial Statements

1. We have audited the accompanying financial statements of DLF GK Residency 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.

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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 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 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 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; and

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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; and
 - iii. there were no amounts which were required to be[#] transferred to the Investor Education and Protection Fund by the Company.

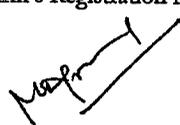
Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP

(Formerly Walker, Chandiok & Co)

Chartered Accountants

Firm's Registration No.: 001076N/N500013


per Manish Agrawal

Partner

Membership No.: 507000

Place: New Delhi

Date: 18 May 2015

Walker Chandniok & Co LLP

Annexure to the Independent Auditor's Report of even date to the members of DLF GK Residency 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) 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 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.

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

- (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.
- (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) The Company has been registered for a period of less than five years. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (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) 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) 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.: 507000

Place: New Delhi
Date: 18 May 2015

DLF GK RESIDENCY LIMITED
Balance Sheet as at 31 March 2015

	Note	As at 31 March 2015 (₹)	As at 31 March 2014 (₹)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	40,000,000	40,000,000
Reserves and surplus	3	(896,685,839)	(205,814,736)
		<u>(856,685,839)</u>	<u>(165,814,736)</u>
Non-current liabilities			
Other non-current liabilities	4	40,612,000	30,502,998
Current liabilities			
Short-term borrowings	5	6,892,179,633	6,143,047,788
Trade payables	6	131,051,593	127,182,339
Other current liabilities	7	1,317,565,240	1,163,738,811
		<u>8,340,796,466</u>	<u>7,433,968,938</u>
		<u><u>7,524,722,627</u></u>	<u><u>7,298,657,200</u></u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	8	975,696	1,251,550
Deferred tax assets (net)	9	-	139,839,805
Long-term loans and advances	10	6,713,001	3,262,127
		<u>7,688,697</u>	<u>144,353,482</u>
Current assets			
Inventories	11	6,361,188,985	6,269,333,217
Trade receivables	12	144,898,743	48,044,636
Cash and cash equivalents	13	56,390,824	16,444,003
Short-term loans and advances	14	62,759,593	135,831,342
Other current assets	15	891,795,785	684,650,520
		<u>7,517,033,930</u>	<u>7,154,303,718</u>
		<u><u>7,524,722,627</u></u>	<u><u>7,298,657,200</u></u>

Notes 1 to 31 form an integral part of these financial statements.

This is the Balance Sheet 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 Agrawal
 Partner



Place: New Delhi
 Date: 18 May 2015

For and on behalf of the Board of Directors

Sanjay Khanna
 Sanjay Khanna
 Director
 (DIN - 06612722)

Deepak Banerjee
 Deepak Banerjee
 Director
 (DIN - 00010467)

DLF GK RESIDENCY LIMITED

Statement of Profit and Loss for the year ended 31 March 2015

	Note	For the year ended 31 March 2015 (₹)	From 8 October 2013 to 31 March 2014 (₹)
INCOME			
Revenue from operations	16	738,002,208	321,983,432
Other income	17	4,023,445	14,890
		<u>742,025,653</u>	<u>321,998,322</u>
EXPENDITURE			
Cost of constructed properties		940,486,099	492,379,305
Finance costs	18	296,842,015	121,160,301
Depreciation	8	275,854	40,706
Other expenses	19	55,452,983	20,991,068
		<u>1,293,056,951</u>	<u>634,571,380</u>
Loss before tax		(551,031,298)	(312,573,058)
Tax expense			
Income tax - earlier years		-	2,539,463
Deferred tax charge/(credit)		139,839,805	(109,297,785)
Loss after tax		<u>(690,871,103)</u>	<u>(205,814,736)</u>
Loss per share (₹) (Basic and diluted)	20	(172.72)	(51.45)

Notes 1 to 31 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 Chandiook & Co LLP

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

Manish Agrawal
per Manish Agrawal
Partner



Place: New Delhi
Date: 18 May 2015

For and on behalf of the Board of Directors

Sanjay Khanna
Sanjay Khanna
Director
(DIN - 06612722)

Deepak Banerjee
Deepak Banerjee
Director
(DIN - 00010467)