

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 Golf Resorts 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 Golf Resorts Limited ("the Company"), which comprise the Balance Sheet as at March 31, 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 March 31, 2015 and its profit 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 March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act;

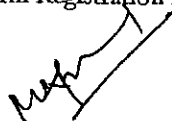


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- f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. as detailed in Note 30 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; 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 Registration No. 001076N/N500013



per Manish Agrawal
Partner
Membership No. 507000



Place : Gurgaon
Date : May 19, 2015

Walker Chandiook & Co LLP

Annexure to the Independent Auditor's Report of even date to the members of DLF Golf Resorts Limited, on the financial statements for the year ended March 31, 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) 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 products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is generally regular in depositing 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, with the appropriate authorities. 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 become payable.



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Annexure to the Independent Auditor's Report of even date to the members of DLF Golf Resorts Limited, on the financial statements for the year ended March 31, 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:

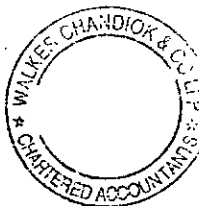
Name of the statute	Nature of dues	Amount (₹)	Amount paid under protest (₹)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	15,292,801	1,000,000	June 16, 2005 to March 31, 2010	Central Excise and Service tax Appellate Tribunal
Punjab Entertainment Duty Act, 1955	Entertainment tax	93,482,929	53,563,487	2004-2005 to 2007- 2008	Entertainment tax officer, Gurgaon

- (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 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

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

Manish
per Manish Agrawal
Partner
Membership No. 507000



Place : Gurgaon
Date : May 19, 2015

DLF Golf Resorts Limited
Balance Sheet as at March 31, 2015

	Note	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
Equity and liabilities			
Shareholders' funds			
Share capital	4	4,000,000	4,000,000
Reserves and surplus	5	25,396,962	24,419,133
		<u>29,396,962</u>	<u>28,419,133</u>
Non-current liabilities			
Other long-term liabilities	6	596,433,708	548,890,814
Long-term provisions	7	12,076,837	9,164,341
		<u>608,510,545</u>	<u>558,055,155</u>
Current liabilities			
Trade payables	8	43,008,928	26,127,161
Other current liabilities	9	354,875,241	379,182,151
Short-term provisions	7	297,694	314,961
		<u>398,181,863</u>	<u>405,624,273</u>
		<u>1,036,089,370</u>	<u>992,098,561</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	25,792,522	35,773,329
Deferred tax assets	11	6,199,924	4,002,794
Long-term loans and advances	12	86,922,784	83,207,644
		<u>118,915,230</u>	<u>122,983,767</u>
Current assets			
Inventories	13	17,704,064	13,940,488
Trade receivables	14	33,975,363	39,043,529
Cash and bank balances	15	31,774,205	19,276,873
Short-term loans and advances	12	833,720,508	796,853,904
		<u>917,174,140</u>	<u>869,114,794</u>
		<u>1,036,089,370</u>	<u>992,098,561</u>

Summary of significant accounting policies 3

The accompanying notes are an integral part of financial statements.

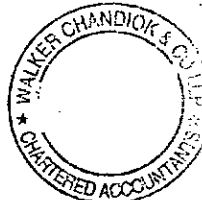
This is the balance sheet referred to in our report of even date.

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

per Manish Agrawal
Partner

Place: Gurgaon
Date: May 19, 2015



For and on behalf of Board of Directors

Aakash Ohri

Director

DIN:01987555

Rajiv Hora

Whole Time Director

DIN:06526991

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DLF Golf Resorts Limited
Statement of Profit and Loss for the year ended March 31, 2015

	Note	As at March 31, 2015 (₹)	Year ended March 31, 2014 (₹)
Revenue			
Revenue from operations	16	486,564,189	480,432,624
Other income	17	2,568,883	2,712,207
Management fee		6,919,683	6,062,665
User charges		5,297,182	10,061,423
		<u>501,349,937</u>	<u>499,268,919</u>
Less: Transfer under agreement		<u>(489,133,074)</u>	<u>(483,144,831)</u>
		<u>12,216,863</u>	<u>16,124,088</u>
Expenses			
Cost of material consumed	18	22,288,782	21,441,227
Golf management expenses	19	234,410,110	203,633,316
Employee benefit expenses	20	83,848,535	73,549,701
Finance costs	21	761,029	952,184
Depreciation expense	10	5,297,182	9,904,434
Other expenses	22	5,289,145	4,260,142
		<u>351,894,783</u>	<u>313,741,004</u>
Less: Transfer under agreement		<u>(345,984,127)</u>	<u>(303,133,231)</u>
		<u>5,910,656</u>	<u>10,607,773</u>
Profit before tax		6,306,207	5,516,315
Less: Tax expense			
Current tax		2,841,882	2,035,241
Deferred tax		(677,293)	(330,700)
Profit for the year		<u>4,141,618</u>	<u>3,811,774</u>

Earnings per equity share -Basic and diluted 24 10.35 9.53

Summary of significant accounting policies 3
The accompanying notes are an integral part of financial statements.

This is the statement of profit and loss referred to in our report of even date

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

per Manish Agrawal
Partner

Place: Gurgaon
Date: May 19, 2015



For and on behalf of Board of Directors

Aakash Ohri
Aakash Ohri
Director
DIN:01987555

Rajiv Flora
Rajiv Flora
Whole Time Director
DIN:06526991