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S.R. BATHBOI & CO. LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of DLF Homes Rajapura Private Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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

Our responsibility is to express an opinion on these financial statements based on our audit. 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. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control 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 effectiveness of such controls. An audit also includes evaluating the appropriateness of 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. 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

In our opinion and to the best of our information and according to the explanations given to us, the 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, its profit and its cash flows for the year ended on that date.



S.R. Batliboi & Co. LLP

Chartered Accountants

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement 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;
 - (e) On the basis of written representations received from the directors as on March 31, 2015, 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;
 - (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 has disclosed the impact of pending litigations on its financial position in its financial statements -- Refer Note 29 to the financial statements;
 - 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.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E


per Anil Gupta
Partner

Membership Number: 501396

Place: Amsterdam
Date: May 15, 2015



Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: DLF Homes Rajapura Private Limited ("the Company")


- (i) a) The Company is maintaining 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 identified on such verification.
- (ii) The Company does not hold any inventories of finished goods, stores, spare parts and raw materials. With regard to Land and development rights in land held for the Real Estate Projects, included under the head 'Inventories', the Company is maintaining proper records of inventory. Accordingly, provisions of clause 3(ii) (a) and (b) of the Order are not applicable to the Company.
- (iii) (a) The Company has granted loan to a company covered in the register maintained under section 189 of the Companies Act, 2013. The loan granted is re-payable on demand. We are informed that the Company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the party to whom the money has been lent. The payment of interest has been regular.

(b) There is no overdue amount of loan granted to Company, listed in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us and having regard to the explanation that purchases of certain items included under inventory are of proprietary nature for which alternative sources are not available to obtain comparable quotations, 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. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas. The activities of the company did not involve sale of services during the year.
- (v) The Company has not accepted any deposits from the public.
- (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 Companies Act 2013 related to the Company's real estate projects and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) a) Undisputed statutory dues including income-tax, sales-tax, wealth-tax, service tax, customs duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions related to provident fund, employees' state insurance and excise duty are not applicable to the Company.



- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, sales tax, wealth tax, service tax, customs duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions related to provident fund, employee's state insurance and excise duty are not applicable to the Company.
- c) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- d) 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.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, the Company has defaulted in repayment of dues (including interest) to compulsorily convertible debenture holders. As mentioned in Note 33 of the financial statement, debentures having aggregate face value of Rs. 1,282,800,000 became due for conversion into equity share capital on December 5, 2014 and such conversion was pending as on the balance sheet date. Interest on debentures amounting to Rs. 160,350,000 for the period from November 1, 2012 to October 31, 2013 became due for payment on November 1, 2013 and Rs. 160,350,000 from November 1, 2013 to October 31, 2014 became due for payment on November 1, 2014. The Company has agreed with the debenture holders to pay penal interest for default in payment of interest in accordance with the terms of Investor agreement with the debenture holders and such dues were in arrears as on the balance sheet date. Subsequent to the year end, the debenture holders have issued letters to waive a portion of interest due for the period from April 1, 2014 to October 31, 2014 on the CCDs. As per the information and explanation given by the management, the Company has no outstanding dues in respect of bank or financial institutions.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E


per Amit Gupta
Partner
Membership Number: 501396



Place: Amsterdam
Date: May 15, 2015

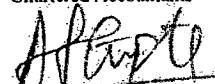
DLF HOMES RAJAPURA PRIVATE LIMITED
Balance Sheet as at March 31, 2015

	Notes	March 31, 2015 Rs.	March 31, 2014 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	269,960	269,960
Reserves and surplus	4	1,897,936,957	1,737,172,412
		<u>1,898,206,917</u>	<u>1,737,442,372</u>
Non-current liabilities			
Long-term borrowings	5	-	-
Deferred tax liabilities	6	496,538	403,482
		<u>496,538</u>	<u>403,482</u>
Current liabilities			
Trade payables	7	294,863,433	394,830,770
Other current liabilities	7	2,680,930,695	2,782,996,702
Short-term provisions	8	27,575,523	52,400,314
		<u>3,003,369,651</u>	<u>3,230,227,786</u>
Total		<u><u>4,902,073,106</u></u>	<u><u>4,968,073,640</u></u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	7,082,969	7,461,054
Long-term loans and advances	14	62,675,200	62,675,200
		<u>69,758,169</u>	<u>70,136,254</u>
Current assets			
Current investments	10	-	339,593,645
Inventories	11	2,770,706,920	2,874,455,788
Trade receivables	12.1	132,972,796	227,237,533
Cash and bank balances	13	40,650,819	81,963,938
Short-term loans and advances	14	1,452,862,244	885,612,134
Other current assets	12.2	435,122,158	489,074,348
		<u>4,832,314,937</u>	<u>4,897,937,386</u>
Total		<u><u>4,902,073,106</u></u>	<u><u>4,968,073,640</u></u>
Summary of significant accounting policies	2.1		

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E
Chartered Accountants

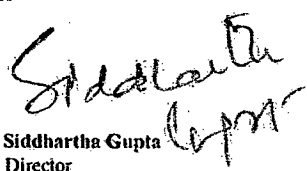

Amit Gupta
Partner
Membership No.: 501396

Place : Amsterdam
Date : May 15, 2015

For and on behalf of the Board of Directors of
DLF Homes Rajapura Private Limited


Surojit Basak
Director

Place : Gurgaon
Date : May 15, 2015


Siddhartha Gupta
Director



DLF HOMES RAJAPURA PRIVATE LIMITED
Statement of profit and loss for the year ended March 31, 2015

	Notes	March 31, 2015 Rs.	March 31, 2014 Rs.
Income:			
Income from real estate operations	15	1,427,271,434	1,872,511,959
Other income	16	156,109,974	40,194,946
Total		1,583,381,408	1,912,706,905
Expenses:			
Cost of sales	17	1,223,076,560	1,246,237,809
Other expenses	18	115,816,486	106,741,165
Depreciation expense	9	378,085	180,640
Finance costs	19	3,274,755	51,493,500
Total		1,342,545,886	1,404,653,114
Profit before tax		240,835,522	508,053,791
Tax expenses			
Current tax expense		79,977,921	173,550,906
Deferred tax expense		93,056	184,333
Adjustment of tax relating to earlier periods			870,511
Profit for the year		160,764,545	333,448,041
Earnings per equity share [nominal value of share Rs.10 (March 31, 2014 : Rs. 10)]			
	20		
Basic		5,955.12	12,351.76
Diluted		3,645.45	9,961.34

Summary of significant accounting policies

2.1

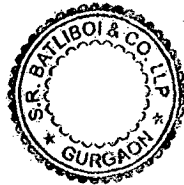
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E
Chartered Accountants

per Amit Gupta
Partner
Membership No.: 501396

Place : Amsterdam
Date : May 15, 2015



For and on behalf of the Board of Directors of
DLF Homes Rajapura Private Limited

Surojit Basak
Director

Shalini Gupta
Director

Place : Gurgaon
Date : May 15, 2015