

# Walker Chandniok & Co LLP

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

## Independent Auditor's Report

To the Members of DLF Hotel Holdings 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 Hotel Holdings 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.



Chartered Accountants

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

Walker Chandniok & 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

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.

#### 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;



# Walker Chandiook & Co LLP

- 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 23 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 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

# Walker Chandiook & Co LLP

Annexure to the Independent Auditor's Report of even date to the members of DLF Hotel Holdings 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) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (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 maintain any physical inventories or sell any goods. Accordingly, clause 4(iv) of the Order with respect to purchase of inventories and sale of goods and services 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 fixed assets. 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) 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.



# Walker Chandiook & Co LLP

Annexure to the Independent Auditor's Report of even date to the members of DLF Hotel Holdings Limited, on the financial statements for the year ended 31 March 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	7,100,000	7,100,000	Financial year 2005-06	Commissioner of Central Excise and Customs
The Capital of Punjab (Development & Regulation) Act, 1952	Interest on late payment of lease premium	9,300,000	9,300,000	Financial year 2005-06	Chief Administrator, Union Territory, Chandigarh
Income Tax Act, 1961	Demand u/s 143(3)	119,435,149	77,743,000	Assessment year 2008-09	Income Tax Appellate Tribunal

- (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 immediately preceding financial year; however, in the current financial year, the Company has incurred cash losses.
- (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 Agrawal*  
per Manish Agrawal  
Partner

Membership No.: 507000

Place: New Delhi  
Date: 18 May 2015



**DLF HOTEL HOLDINGS LIMITED**  
Balance Sheet as at 31 March 2015

	Note	As at 31 March 2015 (₹)	As at 31 March 2014 (₹)
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	4	13,249,300,000	13,249,300,000
Reserves and surplus	5	712,131,292	480,365,565
		<u>13,961,431,292</u>	<u>13,729,665,565</u>
<b>Non-current liabilities</b>			
Long-term provisions	6	-	384,248
		<u>-</u>	<u>384,248</u>
<b>Current liabilities</b>			
Trade payables	7	313,297	10,277,398
Other current liabilities	8	62,842,945	63,592,327
Short-term provisions	9	3,551,583	475,421,537
		<u>66,707,825</u>	<u>549,291,262</u>
		<u>14,028,139,117</u>	<u>14,279,341,075</u>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	10	1,985,873	2,747,975
Intangible assets		-	278,503
Non-current investments	11	10,626,435,415	10,626,370,415
Deferred tax assets	12	19,634,655	19,841,842
Long-term loans and advances	13	743,116,903	723,736,216
		<u>11,391,172,846</u>	<u>11,372,974,951</u>
<b>Current assets</b>			
Cash and bank balances	14	2,944,214	409,086,368
Short-term loans and advances	15	2,307,331,721	2,319,095,673
Other current assets	16	326,690,336	178,184,083
		<u>2,636,966,271</u>	<u>2,906,366,124</u>
		<u>14,028,139,117</u>	<u>14,279,341,075</u>
Significant accounting policies	3		

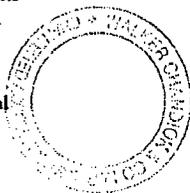
The accompanying notes are an integral part of the financial statements.

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 Agrawal  
Partner



Place: New Delhi  
Date: 18 May 2015

For and on behalf of the Board of Directors

*Mukesh Makkar*  
Mukesh Makkar  
Chief Financial Officer  
(PAN: AIBCPM4789G)

*Vivek Bhargava*  
Vivek Bhargava  
Director  
(DIN - 02921778)

*Atul Goyal*  
Atul Goyal  
Director  
(DIN - 00007991)

*Sanjeev Gemawat*  
Sanjeev Gemawat  
Company Secretary  
(Membership No.: F3669)

*Manish Malik*  
Manish Malik  
Manager  
(PAN: AMEPM6960D)

**DLF HOTEL HOLDINGS LIMITED**

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

	Note	For the year ended 31 March 2015 (₹)	For the year ended 31 March 2014 (₹)
<b>Revenue</b>			
Other income	17	364,555,191	1,051,555,658
		<u>364,555,191</u>	<u>1,051,555,658</u>
<b>Expenses</b>			
Employee benefit expenses	18	2,357,868	2,308,894
Finance costs	19	554,687	339,474,034
Depreciation and amortisation	10	700,262	2,542,415
Other expenses	20	8,997,158	20,932,846
		<u>12,609,975</u>	<u>365,258,189</u>
<b>Profit before prior period items and tax</b>		<u>351,945,216</u>	<u>686,297,468</u>
Prior period items		12,359	-
<b>Profit after prior period items but before tax</b>		<u>351,932,857</u>	<u>686,297,468</u>
<b>Tax expense</b>			
Current tax		119,619,600	146,289,667
MAT credit entitlement		-	(101,921,980)
Deferred tax charge/(credit)		207,187	(20,199,650)
<b>Net profit for the year</b>		<u>232,106,070</u>	<u>662,129,431</u>
<b>Earnings per share</b> (Basic and diluted)	21	0.18	0.50
Significant accounting policies	3		

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

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

*Walker Chandok & Co LLP*

For Walker Chandok & Co LLP

(formerly Walker, Chandok & 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

*Makesh Makkar*

Makesh Makkar  
Chief Financial Officer  
(PAN: AECPM4789G)

*Vivek Jhunjhunwala*

Vivek Jhunjhunwala  
Director  
(DIN - 02921778)

*Atul Goyal*

Atul Goyal  
Director  
(DIN - 00007991)

*Sanjeev Gemawat*

Sanjeev Gemawat  
Company Secretary  
(Membership No.: F3669)

*Manik Malik*

Manik Malik  
Manager  
(PAN: AMEPM6960D)