

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
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India

Independent Auditor's Report

To the Members of DLF Projects Limited

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Report on the Financial Statements

1. We have audited the accompanying financial statements of DLF Projects 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.



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 as on 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;



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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. detailed in Note 27 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

Chartered Accountants

Firm's Registration No.: 001076N/N500013

MA

per Manish Agrawal
Partner

Membership No.: 507000



Place: Gurgaon

Date : 18 May 2015

Walker Chandiook & Co LLP

Annexure to the Independent Auditor's Report of even date to the members of DLF Projects 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 Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (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 material discrepancies noticed on physical verification have been properly dealt with in the books of account.
- (iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
 - (a) the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, receipt of the principal amount is regular.
 - (b) there is no overdue amount in respect of loans granted to such companies, firms or other parties.
- (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.



Walker Chandiook & Co LLP

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

- (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:

Name of the statute	Nature of dues	Amount (₹)	Amount paid under protest (₹)	Period to which the amount relates	Forum where dispute is pending
Uttar Pradesh Value Added tax, 2008	Value added tax	4,733,963	-	Financial year 2006-07	Hon'ble Allahabad High Court
Uttar Pradesh Value Added tax, 2008	Value added tax	111,800,090	51,419,756	Financial year 2007-08 to 2011-12	Additional Commissioner (Appeals)
West Bengal Value Added tax, 2003	Value added tax	40,918,207	-	Financial year 2009-10	Apellate Tribunal
West Bengal Value Added tax, 2003	Value added tax	19,430,578	-	Financial year 2010-11 and 2011-12	Joint Commissioner (Appeals)
Tamil Nadu Value Added Tax, 1990	Entry tax	679,065	101,860	Financial year 2008-09	Hon'ble Madras High Court
Tamil Nadu Value Added Tax, 1990	Value added tax	1,112,889	-	Financial year 2010-11 and 2011-12	Joint Commissioner (South), Chennai
Tamil Nadu Value Added Tax, 1990	Value added tax	191,054,058	-	Financial year 2007-08, 2008-09 and 2009-10	Hon'ble Madras High Court
Kerala Value Added Tax, 2003	Value added tax	456,520	-	Financial year 2011-12	Demand Intelligence Officer
Kerala Value Added Tax, 2003	Value added tax	199,410	199,410	Financial year 2009-10	CTO Walayar check post



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Name of the statute	Nature of dues	Amount (₹)	Amount paid under protest (₹)	Period to which the amount relates	Forum where dispute is pending
Kerela Value Added Tax, 2003	Value added tax	2,262,154	-	Financial year 2007-08	Deputy Commissioner (Appeals)
Haryana Value Added Tax, 2003	Value added tax	131,470,903	-	Financial year 2011-12	Assessing Authority, Gurgaon
Haryana Value Added Tax, 2003	Value added tax	91,404,422	-	Financial year 2011-12	Assessing Authority, Gurgaon
Haryana Value Added Tax, 2003	Value added tax	467,184	-	Financial year 2006-07	Joint Commissioner (Appeals), Gurgaon
Maharashtra Value Added Tax, 2002	Value added tax	12,753,670	-	Financial year 2009-10	Joint Commissioner (Appeals) Mumbai
Income Tax Act, 1961	Income Tax	3,410,536	-	Assessment year 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	35,387,050	27,700,000	Assessment year 2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	25,099,840	-	Assessment year 2010-11	Commissioner of Income Tax (Appeals) Faridabad
Income Tax Act, 1961	Income Tax	4,267,440	-	Assessment year 2011-12	Commissioner of Income Tax (Appeals) Faridabad.
Finance Act, 1994	Service Tax	97,308	97,308	Financial year 2010-11	Commissioner, Service Tax, Delhi
Finance Act, 1994	Service Tax	41,564,326	-	March 2009 to May 2009	CESTAT, New Delhi
Finance Act, 1994	Service Tax	8,620,042	-	March 2011 to May 2012	Additional Director General, DGCEI, New Delhi



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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	9,985,648	-	Financial year 2011-12	Commissioner, Service Tax, Delhi
Finance Act, 1994	Service Tax	44,601,545	-	3 March 2009 to 19 May 2009	CESTAT
Finance Act, 1994	Service Tax	179,903,970	-	Financial year 2011-12	CESTAT

- (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's accumulated losses at the end of the financial year are less than fifty percent of its net worth. The Company has incurred cash losses in the current year and 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.

Walker Chandiook & Co LLP
 For Walker Chandiook & Co LLP
 Chartered Accountants
 Firm's Registration No.: 001076N/N500013

Manish
 per Manish Agrawal
 Partner
 Membership No.: 507000



Place: Gurgaon
 Date : 18 May 2015

DLF PROJECTS LIMITED
Balance Sheet as at 31 March 2015

	Notes	31 March 2015 (₹)	31 March 2014 (₹)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	707,025,000	707,025,000
Reserves and surplus	5	(42,926,932)	37,013,124
		<u>664,098,068</u>	<u>744,038,124</u>
Non-current liabilities			
Long-term provisions	6	-	834,877
		<u>-</u>	<u>834,877</u>
Current liabilities			
Short-term borrowings	7	-	310,938,131
Trade payables	8	655,077,868	1,070,418,989
Short-term provisions	6	-	155,898
Other current liabilities	9	169,107,313	225,481,550
		<u>824,185,181</u>	<u>1,606,994,568</u>
		<u>1,488,283,249</u>	<u>2,351,867,569</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	157,449,514	263,076,482
Intangible assets	10	111,902	170,041
Capital work-in-progress		-	1,560,000
Long-term loans and advances	11	586,641,522	552,646,566
		<u>744,202,938</u>	<u>817,453,089</u>
Current assets			
Inventories	12	46,258,579	57,994,995
Trade receivables	13	187,686,370	259,067,778
Cash and bank balances	14	75,695,731	191,563,963
Short-term loans and advances	15	279,845,156	553,918,786
Other current assets	16	154,594,475	471,868,958
		<u>744,080,311</u>	<u>1,534,414,480</u>
		<u>1,488,283,249</u>	<u>2,351,867,569</u>
Summary of significant accounting policies and other explanatory information	1-39		

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

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP
Chartered Accountants

per Manish Agrawal
Partner

Place: Gurgaon
Date: 18 May 2015



For and on behalf of the Board of Directors of
DLF Projects Limited

Ravi S Kachru
Ravi S Kachru
Chairman and
Managing
Director
DIN: 00005608

C.P. Poonacha
C.P. Poonacha
Director
DIN: 00074337

K.K. Sharma
K.K. Sharma
Chief Financial
Officer

Ravi Paul
Ravi Paul
Company
Secretary

DLF PROJECTS LIMITED

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

	Notes	31 March 2015 (₹)	31 March 2014 (₹)
Income			
Revenue from operations	17	699,793,223	2,384,017,258
Sale of construction material		6,139,413	26,939,060
Other income	18	84,820,191	422,724,124
		<u>790,752,827</u>	<u>2,833,680,442</u>
Expenses			
Cost of construction	19	745,207,431	2,227,605,617
Cost of construction material		6,139,413	26,939,060
Employee benefits expense	20	4,519,170	37,235,084
Finance costs	21	28,048,737	77,433,466
Depreciation, amortization and impairment expense	10	36,222,821	125,478,073
Other expenses	22	49,960,302	633,225,574
		<u>870,097,874</u>	<u>3,127,916,874</u>
Loss after tax		<u>(79,345,047)</u>	<u>(294,236,432)</u>
Loss per share (Basic and Diluted)	23	1.79	7.02
Summary of significant accounting policies and other explanatory information	1-39		

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

Chartered Accountants

For and on behalf of the Board of Directors of

DLF Projects Limited

Manish Agrawal
per Manish Agrawal
Partner

Place: Gurgaon
Date: 18 May 2015



Ravi S Kachru

Ravi S Kachru
Chairman and
Managing Director
DIN: 00005608

C.P. Poonacha

C.P. Poonacha
Director
DIN: 00074337

K.K. Sharma
K.K. Sharma
Chief Financial
Officer

Rajiv Paul
Rajiv Paul
Company
Secretary