

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
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Independent Auditor's Report

To the Members of DLF Utilities Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of DLF Utilities 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 Standalone 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 standalone 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 standalone financial statements based on our audit.

Chartered Accountants

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



Walker Chandiook & Co LLP is a registered firm with limited liability with identification number 102723/AB/000, registered office at L-41 Connaught Circus, New Delhi, 110001, India

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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 standalone 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 standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 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 standalone financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid standalone 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);



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- 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;
- 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 24(II) to the standalone financial statements, the Company has disclosed the impact of pending litigations on its standalone 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 Registration No.: 001076N

Sumit Mahajan
per Sumit Mahajan
Partner

Membership No: 504822



Place: New Delhi

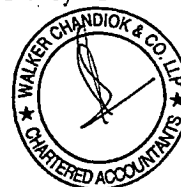
Date: 18 May 2015

Walker Chandiook & Co LLP

Annexure to the Independent Auditor's Report of even date to the members of DLF Utilities 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) All fixed assets have not been physically verified by the management during the year, however, there is a regular program of verification once in 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 (except stocks represented by development rights) 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 and 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 Utilities 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:

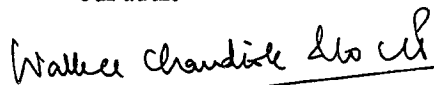
Name of the statute	Nature of dues	Amount (₹) in lacs	Amount Paid Under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	51.09	Nil	Financial Year 2003-04	Income tax appellate Tribunal (ITAT 'B' Bench) New Delhi.
Income Tax Act, 1961	Income tax	45.89	Nil	Financial Year 2006-07	Income tax appellate Tribunal (ITAT 'B' Bench) New Delhi.
Income Tax Act, 1961	Income tax	31.77	Nil	Financial Year 2007-08	Income tax appellate Tribunal (ITAT 'B' Bench) New Delhi.
Income Tax Act, 1961	Income tax	25.19	Nil	Financial Year 2002-03	Income tax appellate Tribunal (ITAT 'B' Bench) New Delhi.
Finance Act, 1994	Service Tax	2.27	Nil	Financial Year 2007-08	AC Delhi-III, Service tax Gurgaon
Finance Act, 1994	Service Tax	5.00	Nil	Financial Year and 2003-04 2004-05	Director General of Central Excise Intelligence, Delhi Adjudication Authority.


Walker Chandiook & Co LLP

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

Name of the statute	Nature of dues	Amount (₹) in lacs	Amount Paid Under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	3,799.64	Nil	For the period 1 April 2008 to 30 September 2012	Customs, Excise and Service Tax Appellate Tribunal
Delhi Value Added Tax Act, 2004	Value Added Tax	109.29	Nil	Financial Year 2012-13 & 2013-14	Special/ Additional Commissioner Delhi VAT

- (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 more than fifty percent of its net worth. The Company has incurred cash losses in the current and the immediately preceding financial year.
- (ix) The Company has not defaulted in repayment of dues to any bank during the year. The Company did not have any outstanding debentures during the year.
- (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) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit


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


per Sumit Mahajan
Partner
Membership No.: 504822



Place: New Delhi

Date: 18 May 2015

DLF Utilities Limited
Balance Sheet as at 31 March 2015

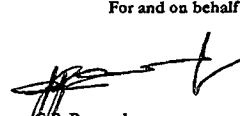
	Note	As at 31 March 2015 ₹ in lacs	As at 31 March 2014 ₹ in lacs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	10,707.46	10,707.46
Reserves and surplus	3	(7,210.84)	11,120.45
		<u>3,496.62</u>	<u>21,827.91</u>
Non-current liabilities			
Long-term borrowings	4	130,370.29	87,950.05
Other long term liabilities	5	16,541.30	15,146.04
Long-term provisions	6	896.33	635.45
		<u>147,807.92</u>	<u>103,731.54</u>
Current liabilities			
Short-term borrowings	7	93,252.67	96,770.81
Trade payables		17,145.15	21,650.96
Other current liabilities	8	90,877.84	85,258.53
Short-term provisions	6	103.09	77.91
		<u>201,378.75</u>	<u>203,758.21</u>
Total		<u><u>352,683.29</u></u>	<u><u>329,317.66</u></u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	104,397.93	109,217.09
Intangible assets	9	133.42	107.77
Capital work-in-progress	9	14,405.55	17,127.79
		<u>118,936.90</u>	<u>126,452.65</u>
Non-current investments	10	1,221.14	1,221.14
Deferred tax assets (net)	11	14,596.89	11,461.25
Long-term loans and advances	12	21,520.41	17,118.08
Other non-current assets	13	90.85	76.71
		<u>156,366.19</u>	<u>156,329.83</u>
Current assets			
Inventories	14	103,906.94	100,513.51
Trade receivables	15	20,205.14	14,959.86
Cash and bank balance	16	40,694.19	36,201.34
Short-term loans and advances	12	22,921.09	12,541.12
Other current assets	13	8,589.73	8,772.00
		<u>196,317.09</u>	<u>172,987.83</u>
Total		<u><u>352,683.29</u></u>	<u><u>329,317.66</u></u>

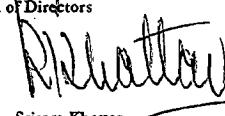
The accompanying notes form an integral part of these financial statements
This is the Balance Sheet referred to in our report of even date

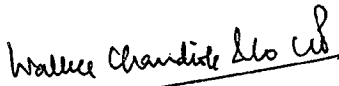
For and on behalf of Board of Directors


Anant Verma
Whole time Director
DIN 02461227


Gautam Dey
Whole time Director
DIN 00593963


P. Poonacha
Whole time Director
DIN 00074337


Sriram Khattar
Director
DIN 00066540


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


Alshat Maheshwari
Company Secretary
M No 35021


Baljeet Singh
CFO


per Sumit Mahajan
Partner

Place : New Delhi
Date : 18 May 2015



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

Particulars	Note	Year ended	Year ended
		31 March 2015	31 March 2014
		₹ in lacs	₹ in lacs
Revenue			
Revenue from operations	17	129,538.98	115,522.91
Other income	18	3,023.88	4,495.16
Total revenue		132,562.86	120,018.07
Expenses			
Cost of revenue	19	93,955.41	81,125.69
Employee benefits expense	20	7,704.71	6,809.60
Finance cost	21	23,187.19	19,510.86
Depreciation and amortisation expense	9	8,679.39	8,276.46
Other expenses	22	16,349.92	14,922.34
Total expenses		149,876.62	130,644.95
Loss before exceptional items and tax		(17,313.76)	(10,626.88)
Exceptional items [refer note 9(c)]		3,837.99	-
Loss before tax		(21,151.75)	(10,626.88)
Tax expense/(benefit) :			
Wealth tax		35.42	-
Deferred tax credit		(3,124.78)	(5,013.24)
Tax expense for earlier years :			
Wealth tax		62.90	-
Loss for the year		(18,125.29)	(5,613.64)
Prior period item		185.41	-
Net Loss for the year		(18,310.70)	(5,613.64)
Loss per equity share			
Basic and diluted (₹)	23	(17.10)	(5.24)

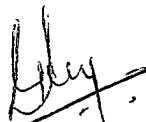
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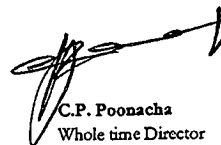
For and on behalf of Board of Directors


Anant Verma

Whole time Director
DIN 02461227


Gautam Dey

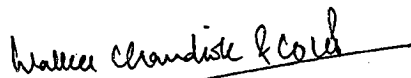
Whole time Director
DIN 00593963


C.P. Poonacha

Whole time Director
DIN 00074337


Sriram Khattar

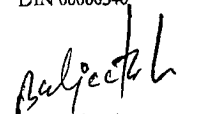
Director
DIN 00066540


Walker Chandio & Co

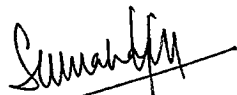
For **Walker Chandio & Co LLP**
(formerly *Walker, Chandio & Co*)
Chartered Accountants


Akshar Maheshwari

Company Secretary
M No 35021


Baljeet Singh

CFO


Sumit Mahajan

Partner



Place : New Delhi
Date : 18 May 2015