

INDEPENDENT AUDITOR'S REPORT

To the Members of DLF Urban Private Limited

Report on the Audit of the Ind AS Financial Statements**Opinion**

We have audited the accompanying Ind AS financial statements of DLF Urban Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Emphasis of matter

We draw attention to Note 27 of the Ind AS financial statements, which explains the uncertainties and the management's assessment of the financial impact related to Covid-19 pandemic situation, for which a definitive assessment of the impact in subsequent period is dependent future economic developments and circumstances as they evolve.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the Ind AS financial statements and our auditor's report thereon.

The Director's report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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 1" 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 purposes 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, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) The matter described in 'Emphasis of Matters' paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - (f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (h) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2021;



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- (i) 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, as amended 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 Ind AS financial statements – Refer Note 28 to the Ind AS 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/E300005



per Amit Yadav

Partner

Membership Number: 501753

UDIN: 21501753AAAADC6908

Place of Signature: Gurugram

Date: June 08, 2021



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Annexure I referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirements” of our report even date

Re: DLF Urban Private Limited ('the Company')

- i) The Company's business does not have any Property Plant and Equipment and accordingly, provisions of the clauses 3(i) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory represented by development rights. Inventories represented by development rights have been confirmed as at March 31, 2021 on the basis of custodian certificates obtained by the management. No material discrepancies were noticed on such physical verification/ confirmations.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- 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 as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products of the Company.
- vii)
 - (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, duty of custom, goods and service tax, cess and other statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, duty of custom, duty of excise, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - (c) According to the records of the Company, the dues of income-tax on account any dispute, are as follows:

Nature of Statute	Nature of Dues	Amount (in lakhs)	Amount paid under protest (in Lakhs)	Year to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Tax demand on account of transfer pricing adjustments	16,748.06	-	Assessment year 2016-17	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Tax demand on account of transfer pricing adjustments	1,047.50	-	Assessment year 2017-18	National Faceless Appeal Centre (NFAC)



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- viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. According to the information and explanations given by the management, the company has not raised any money way of initial public offer/further public offer/debt instruments during the year.
- x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005



per Amit Yadav
Partner
Membership Number: 501753
UDIN: 21501753AAAADC6908

Place of Signature: Gurugram
Date: June 8, 2021

S.R. BATLIBOI & CO. LLP

Chartered Accountants

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DLF URBAN PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of DLF Urban Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide



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reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Amit Yadav

Partner

Membership Number: 501753

UDIN: 21501753AAAADC6908



Place of Signature: Gurugram

Date: June 8, 2021

DLF Urban Private Limited
Balance Sheet as at March 31, 2021
(All amounts in ₹ lacs, unless otherwise stated)

	Notes	March 31, 2021	March 31, 2020
ASSETS			
Non-current assets			
Non-current tax assets (net)	3	15.55	22.78
		15.55	22.78
Current assets			
Inventories	4	123,801.02	101,612.68
Financial assets			
Cash and cash equivalents	5A	145.80	1,690.51
Other bank balances	5B	807.88	809.96
Loans	6	17.75	17.75
Other current assets	7	4,788.54	6,862.42
		129,560.99	110,993.32
Total Assets		129,576.54	111,016.10
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	927.97	927.97
Other equity			
Equity component of convertible debentures	9	26,430.86	24,888.94
Securities premium	9	7,424.43	7,424.43
Retained earnings	9	(799.31)	(349.98)
Total equity		33,983.95	32,891.36
Non-current liabilities			
Financial liabilities			
Borrowings	10	75,405.98	73,978.49
Other non-current financial liabilities	11	1,228.52	-
Provisions	16	20.36	7.06
		76,654.86	73,985.55
Current liabilities			
Financial liabilities			
Borrowings	12	3,375.49	728.11
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	13	442.66	12.60
Total outstanding dues of creditors other than micro enterprises and small enterprises	13	2,483.85	2,219.15
Other current financial liabilities	14	11,522.27	9.03
Other current liabilities	15	1,113.03	1,168.54
Provisions	16	0.43	1.76
		18,937.73	4,139.19
Total liabilities		95,592.59	78,124.74
Total equity and liabilities		129,576.54	111,016.10

Summary of significant accounting policies 2

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

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

Firm Registration Number : 301003E/E300005

per Amit Yadav

Partner

Membership Number: 501753

For and on behalf of Board of Directors

DLF Urban Private Limited

Vineet Kanwar

Director

DIN: 00522258

Rajeev Singh

Director

DIN: 02669832

Debashis Mukherjee
 Chief Financial Officer

Pradeep Garg
 Company Secretary
 M.No.: F5667

Place: Gurugram

Date: June 8, 2021



DLF Urban Private Limited

Statement of Profit and Loss for the year ended March 31, 2021

(All amounts in ₹ lacs, unless otherwise stated)

	Notes	March 31, 2021	March 31, 2020
INCOME			
Other income	17	0.37	-
		0.37	-
EXPENSES			
Employee benefit expenses	18	52.54	38.85
Other expenses	19	395.70	38.33
		448.24	77.18
(Loss) before tax		(447.87)	(77.18)
Tax expense:			
Current tax		-	-
Deferred tax	33	-	-
Total tax		-	-
(Loss) for the year		(447.87)	(77.18)
Other comprehensive income			
Items that will not be reclassified to profit and loss in subsequent periods:			
Re-measurement losses on defined benefit plans (net of tax)		1.46	-
Total comprehensive Income/(loss) for the year		(449.33)	(77.18)
Earning/ (loss) per equity share (face value of ₹ 10 per share)			
Basic and diluted (₹)	20	(0.95)	(0.19)

Summary of significant accounting policies

2

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

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

Firm Registration Number : 301003E/E300005

per Amit Yadav

Partner

Membership Number: 501753

Place: Gurugram

Date: June 8, 2021



For and on behalf of Board of Directors
DLF Urban Private Limited

 
Vineet Kanwar
Director
DIN: 00522258


Rajeev Singh
Director
DIN: 02669832


Debashis Mukherjee
Chief Financial Officer


Pradeep Garg
Company Secretary
M.No.: F5667



DLF Urban Private Limited
Cash flow Statement for the year ended March 31, 2021
(All amounts in ₹ lacs, unless otherwise stated)

	March 31, 2021	March 31, 2020
Cash flows from operating activities		
(Loss) before tax	(447.87)	(77.18)
Adjustment for:		
Interest on income tax refunds	(0.37)	-
Operating (loss) before working capital changes	(448.24)	(77.18)
Adjustments for:		
Increase in trade payables	694.76	1,459.88
(Decrease)/Increase in other current liabilities	(55.51)	81.01
Increase in provisions	10.51	8.82
Increase in inventories	(12,937.86)	(9,022.97)
Decrease/(Increase) in other current assets	2,073.88	(5,354.91)
Net cash used in operations	(10,662.46)	(12,905.35)
Direct tax refund received/ (paid)	7.23	(4.54)
Net cash flows used in operating activities (A)	(10,655.23)	(12,909.89)
Cash flows from investing activities		
Proceeds from redemption of bank deposits	-	26.21
Interest received	41.35	55.05
Net cash generated from investing activities (B)	41.35	81.26
Cash flow from financing activities		
Interest paid	(4,292.95)	(3,477.66)
Proceeds from non-current borrowings	10,714.74	17,140.63
Proceeds from current borrowings	2,647.38	545.88
Net cash generated from financing activities (C)	9,069.17	14,208.85
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(1,544.71)	1,380.22
Cash and cash equivalents at the beginning of the year	1,690.51	310.29
Cash and cash equivalents at year end	145.80	1,690.51
Cash and Cash equivalent as on March 31, 2021 (refer note 5A)	145.80	1,690.51

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DLF Urban Private Limited
Cash flow Statement for the year ended March 31, 2021
(All amounts in ₹ lacs, unless otherwise stated)

March 31, 2021 March 31, 2020

Components of cash and cash equivalents comprises:

Balances with banks in current accounts	145.80	1,690.51
	145.80	1,690.51

Summary of significant accounting policies (refer note 2)

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration Number : 301003E/E300005


per Amit Yadav
Partner
Membership Number: 501753



Place: Gurugram
Date: June 8, 2021

For and on behalf of Board of Directors
DLF Urban Private Limited


Vineet Kanwar
Director
DIN: 00522258


Rajeev Singh
Director
DIN: 02669832


Debasish Mukherjee
Chief Financial Officer


Pradeep Garg
Company Secretary
M.No.: F5667



DLF Urban Private Limited
Statement of Changes in Equity for the year ended March 31, 2021
(All amounts in ₹ lacs, unless otherwise stated)

A. Equity Share Capital

	Number	Amount
Equity shares of ₹ 10 each issued, subscribed and fully paid (Refer Note No.8)		
At April 1, 2019	9,279,700	927.97
Issue of share capital	-	-
At March 31, 2020	9,279,700	927.97
Issue of share capital	-	-
At March 31, 2021	9,279,700	927.97

B. Other equity

	Equity component of convertible debentures (refer note 9)	Reserves and surplus		Total other equity
		Securities premium (refer note 9)	Retained earnings (refer note 9)	
At April 1, 2019	24,888.94	7,424.43	(272.80)	32,040.57
Loss for the year	-	-	(77.18)	(77.18)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(77.18)	(77.18)
At March 31, 2020	24,888.94	7,424.43	(349.98)	31,963.39
At April 1, 2020	24,888.94	7,424.43	(349.98)	31,963.39
Loss for the year	-	-	(447.87)	(447.87)
Other comprehensive income	-	-	(1.46)	(1.46)
Total Comprehensive Income	-	-	(449.33)	(449.33)
Recognition of additional equity component on conversion of Series C Optionally Convertible Debentures to Series C Compulsorily Convertible Debentures (refer note 9 and 25(ii))	1,541.92	-	-	1,541.92
At March 31, 2021	26,430.86	7,424.43	(799.31)	33,055.98

Summary of significant accounting policies (refer note 2)

The accompanying notes form an integral part of the financial statements.
As per our audit report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

Firm Registration Number : 301003E/E300005

per Amit Yadav

Partner

Membership Number: 501753



Place: Gurugram
Date: June 8, 2021

For and on behalf of Board of Directors

DLF Urban Private Limited

Vineet Kanwar

Director

DIN: 00522258

Rajeev Singh

Director

DIN: 02669832

Debashis Mukherjee

Chief Financial Officer

Pradeep Garg

Company Secretary

M.No.: F5667



1. Corporate information

DLF Urban Private Limited ("the Company") is a private company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located in 15, Shivaji Marg, New Delhi- 110015. The Company is primarily engaged in the business of construction, development and sale of integrated townships and residential houses and apartments.

The Ind AS financial statements for the year ended March 31, 2021 were approved for issue in accordance with a resolution of the board of directors on June 8, 2021.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements ('financial statements') of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on a going concern basis in accordance with accounting principles generally accepted in India.

Further, the financial statements have been prepared on a historical cost basis and financial assets and financial liabilities are carried at amortized cost.

The financial statements are presented in Rupees and all values are rounded to the nearest lacs, except when otherwise indicated.

2.2 Summary of significant accounting policies

a. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.



b. Inventories

Inventories are valued as under

Projects in progress

Projects in progress are valued at lower of cost and net realizable value. Cost includes cost of land, development rights, borrowing costs, materials, services and other related overheads.

Cost of development rights: The Company has entered into development agreements with certain group companies for grant of irrevocable, absolute and unfettered rights in respect of land parcel for undertaking the Company's real estate business. As per these agreements, the consideration comprises an upfront monetary consideration and a revenue share of 15% of realizations from the project. The fixed consideration is recognized by the Company upon execution of the development agreement. Revenue share is recognized upon receipt of realizations from the respective customer of each unit.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

c. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

d. Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment,

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.



The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Goods and service tax/ other indirect taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of goods and service tax /other indirect taxes paid, except:

- When the tax incurred on purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

e. Foreign currencies

Functional and presentation currency

The financial statements are presented in Indian Rupees ('₹') which is also the functional and presentation currency of the Company.

Transactions and balances

Transactions in foreign currency are initially recorded in the functional currency spot rates at the date the transaction first qualifies for recognition

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the initial transactions.

Exchange differences arising on settlement of monetary items, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

f. Impairment of non-financial assets:

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount of the asset is estimated. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the impairment loss, including impairment on inventories, are recognised in the statement of profit and loss.



In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculation. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

g. Retirement and other employee benefits

Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year end by reference to market yields on government bonds that have terms to maturity approximating the terms of the related liability. Service cost on the Company's defined benefit plan is included in employee benefits expense. Net interest expense on the net defined benefit liability is included in finance costs. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income in the period in which they occur and are not reclassified to profit or loss in subsequent periods.

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of discounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

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h. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of unrestricted cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

i. Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Onerous contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed

j. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1) Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.



The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

Financial assets carried at amortised cost – a financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

De-recognition of financial assets

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.



2) Non-derivative financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortization.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3) Reclassification of financial instruments

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

4) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



k. Fair value measurement

The Company measures its financial instruments such as derivative instruments, etc. at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market of the asset and liability, or
- b) In the absence of a principal market, in the most advantageous market of the asset or liability

The principal or the most advantageous market should be accessible to the Company.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as inventory. Valuers are selected based on market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (refer note 2(p)&30)
- Quantitative disclosures of fair value measurement hierarchy (refer note 30)
- Financial instruments (including those carried at amortised cost) (refer note 31)

l. Convertible Debentures

Convertible Debentures are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.



The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not premeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible debentures based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

m. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted-average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted-average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

n. Revenue from contract or services with customer and other streams of revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods and services before transferring them to the customers.

i. Revenue from Contracts with Customers:

Revenue is measured at the fair value of the consideration received/receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and is net of rebates and discounts. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in its revenue arrangements.

Revenue is recognised in the income statement to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

The Company has applied five step model as per Ind AS 115 'Revenue from contracts with customers' to recognise revenue in the financial statements. The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- a) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- c) The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where any of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.



Revenue is recognised either at point of time or over a period of time based on various conditions as included in the contracts with customers.

Point of Time:

Revenue from real-estate projects

Revenue is recognised at the Point in Time w.r.t. sale of real estate units, including land, plots, apartments, commercial units, development rights as and when the control passes on to the customer which coincides with handing over of the possession to the customer.

ii. Rebates, early payment rebates and down payment rebates

The Company provides move in rebates / early payment rebates / down payment rebates to the customers. Rebates are offset against amounts payable by the customer and revenue to be recognised. To estimate the variable consideration for the expected future rebates, the Company estimates the expected value of rebates that are likely to be incurred in future and recognises the revenue net of rebates and recognises the refund liability for expected future rebates.

iii. Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Upon transfer of goods or services and acceptance by customer, the amount recognised as contract assets is reclassified to trade receivables.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 2.2(i) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract

o. Cost of Revenue

Cost of real estate projects

Cost of constructed properties includes cost of land (including cost of development rights/land under agreements to purchase), estimated internal development costs, external development charges, borrowing costs, overheads, construction costs and development/construction materials, which is charged to the statement of profit and loss based on the revenue recognized as explained in accounting policy for revenue from real estate projects above, in consonance with the concept of matching costs and revenue.

Cost of land and plots

Cost of land and plots includes land (including development rights), acquisition cost, estimated internal development costs and external development charges, which is charged to the statement of profit and loss based on the percentage of land/plot area in respect of which revenue is recognised as explained in accounting policy for revenue from 'Sale of land and plots', in consonance with the concept of matching cost and revenue. Final adjustment is made on completion of the specific project.



Cost of development rights

Cost of development rights includes proportionate development rights cost, borrowing costs and other related cost, which is charged to statement of profit and loss as explained in accounting policy for revenue, in consonance with the concept of matching cost and revenue.

p. Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However the actual future outcome may be different from this judgement.

Significant estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Net realizable value of inventory – The determination of net realisable value of inventory involves estimates based on prevailing market conditions, current prices and expected date of commencement and completion of the project, the estimated future selling price, cost to complete projects and selling cost. The Company also involves specialist to perform valuations of inventories, wherever required.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurement disclosures – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

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2.3 New and amended standards

There were certain amendments that apply for the first time for the year ending 31 March 2021, but do not have a material impact on the financial statements of the Company:

(i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1 April 2019. This amendment had no impact on the financial statements of the Company.

(ii) Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

(iii) Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Company as it does not have any interest rate hedge relationships.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the 1 April 2020. This amendment had no impact on the Company's financial statements.

(iv) Amendments to Ind AS 103 Business Combinations

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. This amendment had no impact on the financial statements of the Company but may impact future periods should the Company enter into any business combinations.



DLF Urban Private Limited

Notes to financial statements for the year ended March 31, 2021

(All amounts in ₹ lacs, unless otherwise stated)

New and amended disclosures, not yet effective

Amendments to the Schedule III of the Companies Act, 2013

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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DLF Urban Private Limited

Notes to the Financial Statements for the year ended March 31, 2021

(All amounts in ₹ lacs, unless otherwise stated)

March 31, 2021 **March 31, 2020**

3. Non-current tax assets (net)

Income tax paid (net of provisions)

15.55

22.78

15.55

22.78

March 31, 2021 **March 31, 2020**

4. Inventories

(valued at cost or net realizable value, whichever is lower)

Cost of development rights in land (including stamp duty charges) (refer note 24)

52,725.01

52,725.01

Construction work-in-progress

71,076.01

48,887.67

123,801.02

101,612.68

March 31, 2021 **March 31, 2020**

5A. Cash and cash equivalents

Balances with banks

in current accounts

145.80

1,690.51

145.80

1,690.51

March 31, 2021 **March 31, 2020**

5B. Other bank balances

Other bank balances*

Deposits with remaining maturity for less than 12 months

807.77

809.80

Interest accrued not due on fixed deposits

0.11

0.16

807.88

809.96

*The Company has pledged INR 806.19 lacs as on March 31, 2021 (March 31, 2020: INR 800.00 lacs) as deposit to fulfil collateral requirements.

Changes in liabilities arising from financing activities

Particulars	Non-current borrowings (including current maturities)	Current borrowings	Cash and cash equivalents	Total
Net debt as at April 01, 2019	(52,387.17)	(182.22)	310.29	(52,259.10)
Cash flows	(17,140.63)	(545.89)	1,380.22	(16,306.30)
Other non cash movement				
-adjustment on account of interest on convertible debentures (refer note 25(i)&(ii))	(4,450.69)	-	-	(4,450.69)
Net debt as at March 31, 2020	(73,978.49)	(728.11)	1,690.51	(73,016.09)
Cash flows	(10,714.74)	(2,647.38)	(1,544.71)	(14,906.83)
Other non cash movement				
-adjustment on account of interest on convertible debentures (refer note 25(i)&(ii))	(2,224.42)	-	-	(2,224.42)
Net debt as at March 31, 2021	(86,917.65)	(3,375.49)	145.80	(90,147.34)

6. Loans

March 31, 2021 **March 31, 2020**

Security deposit (unsecured)

Considered good

17.75

17.75

17.75

17.75



DLF Urban Private Limited

Notes to the Financial Statements for the year ended March 31, 2021

(All amounts in ₹ lacs, unless otherwise stated)

7. Other current assets

	<u>March 31, 2021</u>	<u>March 31, 2020</u>
Advances recoverable in cash or kind or for value to be received		
Unsecured and considered good	4,787.42	4,329.39
	<u>4,787.42</u>	<u>4,329.39</u>
Others		
Balances with statutory/government authorities	-	2,531.95
Prepaid expenses	1.12	1.08
	<u>1.12</u>	<u>2,533.03</u>
	4,788.54	6,862.42

8. Equity share capital

	<u>March 31, 2021</u>	<u>March 31, 2020</u>
--	-----------------------	-----------------------

(A) Authorised share capital

	Equity Shares	
	Number	Amount
At April 1, 2019	75,000,000	7,500.00
Increase during the year	-	-
At March 31, 2020	75,000,000	7,500.00
Increase during the year	-	-
At March 31, 2021	75,000,000	7,500.00

(B) Issued, subscribed and fully paid-up equity share capital

	Equity Shares	
	Number	Amount
At April 1, 2019	9,279,700	927.97
Increase during the year	-	-
At March 31, 2020	9,279,700	927.97
Increase during the year	-	-
At March 31, 2021	9,279,700	927.97

(C) Rights, preferences and restrictions attached to equity shares :

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after setting off all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(D) Details of shareholders holding more than 5% shares in the Company

	<u>March 31, 2021</u>		<u>March 31, 2020</u>	
	No of shares (in lacs)	% holding	No of shares (in lacs)	% holding
Equity shares				
DLF Home Developers Limited	4,640,093	50.003%	4,640,093	50.003%
Reco Greens Pte Limited	4,639,607	49.997%	4,639,607	49.997%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



9. Other equity

Equity component of convertible debentures

Equity component of Series C Optionally Convertible Debentures ('Series C OCDs)*

	Number (in lacs)	Amount
At April 1, 2019	320.14	1,659.47
Increase during the year	-	-
At March 31, 2020	320.14	1,659.47
Converted during the year (refer note 25(ii))	(320.14)	(1,659.47)
At March 31, 2021	-	-

Equity component of Series C Compulsorily Convertible Debentures ('Series C CCDs)†

	Number (in lacs)	Amount
At April 1, 2019	-	-
Increase during the year	-	-
At March 31, 2020	-	-
Increase during the year (refer note 25(ii))	320.14	3,201.39
At March 31, 2021	320.14	3,201.39

Equity component of Series D Compulsorily Convertible Debentures ('Series D CCDs)‡

	Number (in lacs)	Amount
At April 1, 2019	320.10	23,229.47
Increase during the year	-	-
At March 31, 2020	320.10	23,229.47
Increase during the year	-	-
At March 31, 2021	320.10	23,229.47

Balance at March 31, 2021

Balance at March 31, 2020

	Number (in lacs)	Amount
Balance at March 31, 2021	640.24	26,430.86
Balance at March 31, 2020	640.24	24,888.94

Terms attached to convertible debentures

This note covers the equity component of the issued convertible debentures. The liability component is reflected in the financial liabilities in note 10.

* 15% Series C OCDs are convertible into equity shares having face value of Rs. 10 each in the ratio 1:1 or redeemable at Rs. 10 each prior to expiry of 12 years from the date of their issuance (i.e. December 12, 2015) with prior approval of the Board of Directors. During the current year 15% Series C OCDs converted to 0.01% Series CCDs equity shares w.e.f January 27, 2021 (refer note 25(ii)).

0.01% Series C CCDs having face value of Rs. 10 each convertible in the ratio 1:1 each prior to expiry of 12 years from the date of their issuance (i.e. December 12, 2015) with prior approval of the Board of Directors.

† 15% Series D CCDs are Compulsory convertible into equity shares having face value of Rs. 10 each in the ratio 1:1 prior to expiry of 12 years from the date of their issuance (i.e. December 23, 2015) with prior approval of the Board of Directors.

Securities premium

	Amount
At April 1, 2019	7,424.43
Increase during the year	-
At March 31, 2020	7,424.43
Increase during the year	-
At March 31, 2021	7,424.43

Retained Earnings

	Amount
At April 1, 2019	(272.80)
(Loss) for the year	(77.18)
At March 31, 2020	(349.98)
(Loss) for the year	(449.33)
At March 31, 2021	(799.31)

Nature and purpose of reserves:

Securities premium

Securities premium represents premium received on issue of shares. This can be utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings

Represents surplus/(deficit) in the statement of profit and loss.



DLF Urban Private Limited**Notes to the Financial Statements for the year ended March 31, 2021***(All amounts in ₹ lacs, unless otherwise stated)***10. Non-current borrowings**

	Non- Current		Current maturities	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Non Current				
Liability component of compound financial instrument				
Series C Optionally Convertible Debentures (unsecured) {refer note 25(i) &(ii)}		2,664.47	-	-
Series D Compulsorily Convertible Debentures (unsecured) {refer note 25(i)}	40,870.97	35,982.08	-	-
	40,870.97	38,646.55	-	-
Term Loan				
From banks* (secured)	34,535.01	35,331.94	11,511.67	-
	34,535.01	35,331.94	11,511.67	-
Less: Amount disclosed under other current liabilities as " Current maturities of long term borrowings" (refer note 14)	-	-	(11,511.67)	-
	75,405.98	73,978.49	-	-

* Effective interest rate is MCLR + Margin and MIBOR + Margin (March 31, 2020: MCLR + 1.15% and MCLR + 0.55%)

*** Repayment terms and security disclosure for the outstanding long term borrowings as on March 31, 2021:**

Amount is repayable in 24 equal monthly instalments starting from September 29, 2021. The loan is secured by way of:

- (i) Charge over the project (including land, building, development rights, FSI with minimum security cover of 1.50x).
- (ii) Charge over receivables/cash flows of the project.
- (iii) Charge over current and liquid assets of Company in respect of the project.
- (iv) Endorsement of the insurance policy of appropriate value as per the valuation report.
- (v) Separate cash shortfall undertaking from DLF Limited and Reco Greens Pte Limited (in proportionate to their direct or indirect shareholding in the borrower and capped at Rs. 45,000 lacs for each) covering shortfall in the repayments of the facilities.

11. Other non current financial liabilities

	March 31, 2021	March 31, 2020
Interest accrued on convertible debentures*	1,228.52	-
	1,228.52	-

* includes interest payable upto January 26, 2021 pertaining to convertible debentures (also refer note 9 and 25(ii))

12. Current borrowings**From banks (secured)***

Overdraft facility from banks	3,375.49	728.11
	3,375.49	728.11

*** Security disclosure for the outstanding current borrowings as on March 31, 2021:**

The loan is secured by way of:

- (i) Charge over the project (including land, building, development rights, FSI with minimum security cover of 1.50x).
- (ii) Charge over receivables/cash flows of the project.
- (iii) Charge over current and liquid assets of Company in respect of the project.
- (iv) Endorsement of the insurance policy of appropriate value as per the valuation report.
- (v) Separate cash shortfall undertaking from DLF Limited and Reco Greens Pte Limited (in proportionate to their direct or indirect shareholding in the borrower and capped at Rs. 45,000 lacs for each) covering shortfall in the repayments of the facilities.

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DLF Urban Private Limited**Notes to the Financial Statements for the year ended March 31, 2021***(All amounts in ₹ lacs, unless otherwise stated)***13. Trade payables**

Due to others (refer note 22 for details of dues to micro and small enterprises)

Total outstanding dues of micro enterprises and small enterprises

Total outstanding dues of creditors other than micro enterprises and small enterprises

Due to related parties (refer note 29)

	March 31, 2021	March 31, 2020
	442.66	12.60
	1,998.09	1,885.47
	485.76	333.68
	2,926.51	2,231.75

14. Other current financial liabilities

Current maturities of long term borrowings (refer note 10)

Interest accrued on term loan

	March 31, 2021	March 31, 2020
	11,511.67	-
	10.60	9.03
	11,522.27	9.03

15. Other current liabilities

Statutory dues

Others

	March 31, 2021	March 31, 2020
	1,113.03	1,168.43
	-	0.11
	1,113.03	1,168.54

16. Provisions

Provisions for employee benefits

Gratuity (refer note 22)

Compensated absences

	Non- Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Provisions for employee benefits	20.36	7.06	0.42	0.49
Gratuity (refer note 22)	-	-	0.01	1.27
Compensated absences	20.36	7.06	0.43	1.76

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DLF Urban Private Limited

Notes to the Financial Statements for the year ended March 31, 2021

(All amounts in ₹ lacs, unless otherwise stated)

17. Other income

	March 31, 2021	March 31, 2020
Interest on income tax refunds	0.37	-
	0.37	-

18. Employee benefit expenses

	March 31, 2021	March 31, 2020
Salaries, wages and bonus	47.49	36.52
Contribution to provident funds (refer note 23(ii))	3.33	1.73
Gratuity expense (refer note 23(i))	0.97	0.58
Staff welfare expenses	0.75	0.02
	52.54	38.85

19. Other expenses

	March 31, 2021	March 31, 2020
Rates and taxes	76.48	0.08
Communication	0.22	0.26
Repair and maintenance		
Others	0.82	-
Travelling & Conveyance	0.08	0.30
Advertising and sales promotion	184.40	-
Director sitting fees	1.40	1.80
Legal and professional	119.06	22.86
Payment to auditor*	11.71	11.53
Insurance	1.11	1.30
Printing and stationery	0.33	0.20
	395.70	38.33

Payment to auditor *

Statutory audit	6.56	6.25
Limited Review	3.88	3.75
Other Services	1.00	1.00
Reimbursement of expenses	0.27	0.53
	11.71	11.53

20. Earning/ (loss) per equity share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

	March 31, 2021	March 31, 2020
(Loss) for the year	(447.87)	(77.18)
Weighted average number of equity shares for basic EPS *	46,902,822	41,289,426
Basic EPS (₹)	(0.95)	(0.19)
Fully paid up equity shares.	9,279,700	9,279,700
Equity shares to be issued against CCDs in 1:1 ratio	37,623,122	32,009,726
Weighted average number of equity shares for basic EPS*	46,902,822	41,289,426
Effect of dilution:		
Optional convertible debenture	-	32,013,898
Weighted average number of equity shares adjusted for the effect of dilution**	46,902,822	73,303,324
Diluted EPS (₹)	(0.95)	(0.19)

* Weighted average number of equity shares for the calculation of basic EPS includes compulsory convertible debentures.

** Since the effect of optional convertible debentures in the previous year was anti-dilutive i.e loss per share was decreasing, hence it was not considered for calculation of diluted EPS.



21. Segment Information

The Company business activities which are primarily real estate development and related activities falls within a single reportable segment as the management of the Company views the entire business activities as real estate development. Accordingly, there are no additional disclosures to be furnished in accordance with the requirement of Ind AS 108 - Operating Segment with respect to single reportable segment. Further, the operation of the Company is domiciled in India and therefore there are no reportable geographical segment.

22. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") is as under:

Particulars	March 31, 2021	March 31, 2020
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	442.66	12.60
ii) the amount of interest paid by the buyer in terms of Section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the interest specified under MSMED Act, 2006;	Nil	Nil
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23.	Nil	Nil

The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company.

23. Employee benefits:

i) Disclosure of gratuity (unfunded)

The Company has a defined benefit gratuity plan, which is unfunded. The Company provides for gratuity for employees in India as per the payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Risks associated with plan provisions

The Company is exposed to number of risks in the defined benefit plans. Most significant risks pertaining to defined benefit plans and management's estimation of the impact of these risks are as follows:

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Interest rate risk

A decrease in interest rate in future years will increase the plan liability.



Life expectancy risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Withdrawals Risk

Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact the plan liability.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss:

Particulars	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Gratuity (non-funded)	0.42	20.36	0.49	7.06
Total	0.42	20.36	0.49	7.06

Movement in the liability of gratuity recognised in the balance sheet is as under:-

Particulars	March 31, 2021	March 31, 2020
Balance sheet liability, beginning of period	7.55	6.97
Total charge recognised in profit and loss	0.97	0.58
Total remeasurements recognised in Other Comprehensive Income	1.46	-
Liability transferred on account of employee transferred from other companies	10.80	-
Balance sheet liability, end of period	20.78	7.55

Amount recognised in the statement of profit and loss for gratuity is as under:-

Particulars	March 31, 2021	March 31, 2020
Service cost	0.44	0.58
Net interest cost	0.53	-
Amount recognised in the statement of profit and loss	0.97	0.58

Amount recognised in the statement of Other Comprehensive Income for gratuity is as under:-

Particulars	March 31, 2021	March 31, 2020
Amount recognized in other comprehensive income, beginning of Period	-	-
Remeasurements due to :		
Effect of change in financial assumptions	2.14	-
Effect of change in demographic assumptions	(0.06)	-
Effect of experience adjustments	(0.62)	-
Total remeasurements recognized in other comprehensive income	1.46	-
Amount recognized in other comprehensive income , end of period	1.46	-

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For determination of the gratuity liability of the Company, the following principal actuarial assumptions were used:

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.90%	7.00%
Future salary increase	For First Year : 7.00% Thereafter : 7.50%	5.00%
Retirement age	62/65	62
Mortality rate	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate
	For Age- Upto 30 years : 3% 31-44 years : 2% Above 44 years : 1%	
Withdrawal Rates	5.00%	

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Sensitivity analysis for gratuity liability

Particulars	March 31, 2021	March 31, 2020
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	20.78	7.55
a) Impact due to increase of 0.50%	(0.49)	(0.43)
b) Impact due to decrease of 0.50%	0.61	0.47
b) Impact of the change in salary growth rate		
Present value of obligation at the end of the year	20.78	7.55
a) Impact due to increase of 0.50%	0.51	0.47
b) Impact due to decrease of 0.50%	(0.47)	(0.45)

ii) Defined contribution plan

The Company makes provident fund contributions to defined contribution plans for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 3.33 lakhs (March 31, 2020: Rs. 1.73 lakhs) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the scheme.

24. During the year ended March 31, 2016, the Company had entered into an agreement with DLF Home Developers Limited ('DHDL') for grant of irrevocable, absolute and unfettered rights in respect of land parcel admeasuring 6.79 acres (27,460.00 square meters) situated at Shivaji Marg, New Delhi for development of planned residential project of the Company. The consideration for the same had been agreed at a fixed monetary consideration of ₹ 46,250.00 lacs and an additional variable consideration based on certain percentage of the realisations from the project up to a maximum of ₹ 46,250.00 lacs. The Company has accounted for cost of development right at the fixed monetary consideration of ₹ 46,250.00 lacs and is of the view that since the variable consideration is contingent upon realizations from the project, there is no present obligation on the Company to recognize the variable consideration as at balance sheet date. Hence, the variable consideration shall be recognized upon realizations from respective customers. However, on a conservative basis, the Company has paid stamp duty on the entire consideration of ₹ 92,500.00 lacs and has accounted for the same under Inventories in note 4 of the financial statements.



25. (i) During the year ended March 31, 2016, the Company issued Compulsorily Convertible Debentures and Optionally Convertible Debentures to its shareholders. Based on expert opinion, the management believes that as per the terms of issue of these instruments, the Company does not have a unilateral right of conversion/redemption of these instruments without the consent of debenture-holders in their capacity as 'debenture-holders' and accordingly, has classified these instruments as 'Compound Financial Instruments' in accordance with provisions of 'Ind AS 32 - Financial Instruments: Presentation'.

(ii) During the current year, 32,013,898 numbers of Series C optionally convertible debentures (OCDs) of face value Rs. 10 amounting to Rs. 3,201.39 lakhs [issued to one of the shareholders (DLF Home Developers Limited)], were converted into 0.01% compulsory convertible debentures (CCDs) of face value of Rs. 10 each. These CCDs are mandatorily convertible after expiry of 12 years from the date of issuance i.e. 12 December 2015.

Due to change in the terms of the instrument, the financial liability component in the existing OCDs have been derecognized in accordance with terms of the CCDS and Ind AS 32 "Financial Instruments: Presentation". These CCDs have been classified as equity.

26. The Company is undertaking development of a real-estate project in Delhi and has commenced active development of the same. Till March 31, 2021, the Company has inventorised borrowing cost of ₹ 33,171.97 lacs (March 31, 2020: ₹ 23,562.20 lacs) in accordance with Ind AS-23 "Borrowing Costs". Further, approval and construction cost of ₹ 9,580.04 lacs (March 31, 2020: ₹ 9,510.81 lacs) and ₹ 27,981.89 lacs (March 31, 2020: ₹ 15,810.40 lacs) have been inventorised.

Further, based on future projections of the estimated cash flows from the project and valuation of the project by independent valuer, the net realizable value of the project is higher than the carrying value and hence, no adjustment is considered necessary in the financial statements in this regard at this stage.

27. The outbreak of Coronavirus (COVID -19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Consequent to these uncertainties/ disruptions caused due to continuation of pandemic, the Company has made assessment of impact of this pandemic on its business operations and has made assessment of its liquidity position for the next one year. The Company has assessed the recoverability and carrying value of its assets comprising inventory, advances, other financial and non-financial assets etc. as at balance sheet date using various internal and external information up to the date of approval of these financial statements. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. Changing situation of pandemic is giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 pandemic which may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely observe the evolving scenario and take into account any future developments arising out of the same.

28. Contingent liabilities:

(Amount in Rs. Lakhs)

Particulars	March 31, 2021	March 31, 2020
Income Tax Demand for AY 2016-17	16,748.06	16,748.06
Income Tax Demand for AY 2017-18	1,047.50	-
Total	17,795.56	16,748.06

The Transfer Pricing Officer has made some upward adjustment on account of amount paid to Associate Enterprises pursuant to section 92CA(3) of Income tax Act, 1961 ("IT Act") by adopting a different benchmark, thereby proposing disallowances aggregating to Rs. 35,001.13 lakhs (March 31, 2020 Rs. 32,872.48 lakhs). Based on the advice from independent tax experts and the development on the appeals, the management is confident that additional tax so demanded will not be sustained on completion of the appellate proceedings and accordingly, pending the decision by the appellate authorities, no provision has been made in these financial statements.



29. Related party disclosures

In accordance with the required Accounting Standard (Ind AS-24) on related party disclosures where control exist and where transactions have taken place and description of the relationship as identified and certified by management are as follows:

a) Holding company of the entity having joint control.

- a. Holding companies of DLF Home Developers Limited
 - DLF Limited (Holding Company)
 - Rajdhani Investments & Agencies Private Limited (Ultimate Holding Company)
- b. Holding company of Reco Greens Pte Limited
 - Recosia Pte Limited

b) Entities having joint control over the entity

- DLF Home Developers Limited
- Reco Greens Pte Limited



c) Transactions with related parties:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on convertible debentures		
- DLF Home Developers Limited	340.30	368.29
- Reco Greens Pte Limited	5,897.20	5,133.64
Total	6,237.50	5,501.93
Development management fee		
- DLF Home Developers Limited (including good and services tax)	866.59	425.72
Total	866.59	425.72

d) Balance outstanding at the end of the year:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Equity component of convertible debentures		
Nil (March 31, 2020: 3,20,13,898) Series C Optionally Convertible Debentures of Rs.10 each ('Series C OCDs') (refer note 9 and 25 (ii))		
- DLF Home Developers Limited	-	1,659.47
3,20,09,726 (March 31, 2020: 3,20,09,726) Series D Compulsorily Convertible Debentures of Rs. 140 each ('Series D CCDs')	23,229.47	23,229.47
- Reco Greens Pte Limited		
3,20,13,898 (March 31, 2020: Nil) Compulsorily Convertible Debentures of Rs.10 each ('Series C CCDs')	3,201.39	-
Total	26,430.86	24,888.94
Liability component of convertible debentures		
Nil (March 31, 2020: 3,20,13,898) Series C Optionally Convertible Debentures of Rs.10 each ('Series C OCDs') [Refer Note 9 and 25(ii)]		
- DLF Home Developers Limited	-	2,664.47
3,20,09,726 (March 31, 2020: 3,20,09,726) Series D Compulsorily Convertible Debentures of Rs. 140 each ('Series D CCDs')	40,870.97	35,982.08
- Reco Greens Pte Limited		
Total	40,870.97	38,646.55
Interest accrued on convertible debentures		
- DLF Home Developers Limited	1,228.52	-
Total	1,228.52	-
Others payable		
- DLF Home Developers Limited	485.76	333.68
Total	485.76	333.68

(A) Terms and conditions of transactions with related parties

1. The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions.

2. The Company has issued convertible debenture to related parties which carry interest rate from 0.01% - 15.00% p.a. The proceeds have been utilised by the Company for its business purposes.



30 Fair value disclosures**i) Fair values hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3

ii) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Carrying value		Fair value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial assets				
Cash and cash equivalents	145.80	1,690.51	145.80	1,690.51
Other bank balances	807.88	809.96	807.88	809.96
Loans	17.75	17.75	17.75	17.75
Total	971.43	2,518.22	971.43	2,518.22
Financial liabilities				
Borrowings	78,781.47	74,706.60	78,781.47	74,706.60
Trade payables	2,926.51	2,231.75	2,926.51	2,231.75
Other financial liabilities (including current maturities of borrowing)	12,750.79	9.03	12,750.79	9.03
Total	94,458.77	76,947.38	94,458.77	76,947.38

31 Financial risk management**i) Financial instruments by category**

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include cash and cash equivalents & other bank balance that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

For amortised cost instruments, carrying value represents the best estimate of fair value.

Particulars	March 31, 2021			March 31, 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Cash and cash equivalents	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Cash and cash equivalents	-	-	145.80	-	-	1,690.51
Other bank balances	-	-	807.88	-	-	809.96
Loans	-	-	17.75	-	-	17.75
Total	-	-	971.43	-	-	2,518.22
Financial liabilities						
Borrowings	-	-	78,781.47	-	-	74,706.60
Trade payable	-	-	2,926.51	-	-	2,231.75
Other financial liabilities (including current maturities of borrowing)	-	-	12,750.79	-	-	9.03
Total	-	-	94,458.77	-	-	76,947.38



DLF Urban Private Limited**Notes to the Financial Statements for the year ended March 31, 2021***(All amounts in ₹ lacs, unless otherwise stated)***ii) Risk Management**

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents and financial assets measured at amortised cost. Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits. Other financial assets measured at amortized cost includes security deposits. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

a) Credit risk management**i) Credit risk rating**

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A Low credit risk on financial reporting date

B Moderate credit risk

C High credit risk

The Company provides for expected credit loss based on the following

Asset group	Basis of categorisation	Provision for expenses credit loss
Low credit risk	Cash and cash equivalents, other bank balances and other financial assets	12 month expected credit loss/life time expected credit loss

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets under credit risk –

Credit rating	Particulars	March 31, 2021	March 31, 2020
A Low credit risk	Cash and cash equivalents, other bank balances and other financial assets	971.43	2,518.22

(ii) Credit risk exposure**Provision for expected credit losses**

The Company provides for expected credit loss based on 12 months and lifetime expected credit loss mechanism for the following financial assets –

March, 31 2021

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	145.80	-	145.80
Other bank balances	807.88	-	807.88
Loans	17.75	-	17.75

March, 31 2020

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	1,690.51	-	1,690.51
Other bank balances	809.96	-	809.96
Loans	17.75	-	17.75

The credit risk for cash deposits with banks and cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognized commercial banks and are not past due. The carrying amounts disclosed above are the Company's maximum possible credit risk exposure in relation to these deposits.

Other financial assets being security deposits are also due from government department, management considers the quality of such assets that are not past due to be good.



DLF Urban Private Limited**Notes to the Financial Statements for the year ended March 31, 2021***(All amounts in ₹ lacs, unless otherwise stated)***B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

March 31, 2021	Less than 1 year	1-5 year	More than 5 years	Total
Borrowings	3,375.49	75,405.98	-	78,781.47
Trade payables	2,926.51	-	-	2,926.51
Other financial liabilities (including current maturities of borrowing)	11,522.27	1,228.52	-	12,750.79
Total	17,824.27	76,634.50	-	94,458.77

March 31, 2020	Less than 1 year	1-5 year	More than 5 years	Total
Borrowings	728.11	73,978.49	-	74,706.60
Trade payables	2,231.75	-	-	2,231.75
Other current financial liabilities	9.03	-	-	9.03
Total	2,968.89	73,978.49	-	76,947.38

C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of two types of risk: interest rate risk, price risk. Financial instruments affected by market risk include borrowings.

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Particulars	March 31, 2021	March 31, 2020
Variable rate borrowing	49,422.17	36,060.05
Fixed rate borrowing	40,870.97	38,646.55
Total borrowings	90,293.14	74,706.60

Sensitivity

Profit or loss and equity is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	March 31, 2021	March 31, 2020
Interest sensitivity		
Interest rates – increase by 100 basis points (100 bps)	494.22	360.60
Interest rates – decrease by 100 basis points (100 bps)	(494.22)	(360.60)

** Holding all other variables constant*

Price Risk

The company is not exposed to price risk as company does not hold any financial asset/liability price of which is derived through price prevailing in market.

Accordingly, for the year ended 31 March 2021 and 31 March 2020 every 1% percentage increase /decrease in the value of financial asset/liability, will affect the Company's profit before Tax by ₹ Nil and ₹ Nil respectively.



DLF Urban Private Limited**Notes to the Financial Statements for the year ended March 31, 2021**

(All amounts in ₹ lacs, unless otherwise stated)

32 Capital Management and Gearing Ratio

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. From time to time, the Company reviews its policy related to dividend payment to shareholders, return capital to shareholders. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

The Company's capital management is intended to create value for shareholders by facilitating the meeting of its long-term and short-term goals. Its Capital structure consists of net debt (borrowings as detailed in notes below) and total equity.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

	March 31, 2021	March 31, 2020
Borrowings (including current maturities)	90,293.14	74,706.60
Less: Cash and Bank balances	145.80	1,690.51
Net debt	90,147.34	73,016.09
Total Capital (ii)	33,983.95	32,891.36
Capital and net debt	124,131.29	105,916.48
Net debt to Total Capital plus net debt ratio (%)	73%	69%

(i) Debt is defined as long-term borrowings and short-term borrowings including interest on borrowings.

(ii) Equity is defined as equity share capital and other equity including reserves and surplus.

The Company has been monitoring Net debt to Total Capital plus net debt ratio during the year as against Net debt to equity ratio monitored in the previous year. However, there is no change in the overall objectives, policies or processes for managing capital during the year ended March 31, 2021 and March 31, 2020.

March 31, 2021	March 31, 2020
----------------	----------------

33 Deferred tax assets (net)**The major components of income tax expense for the year ended March 31, 2021****Profit and loss section**

Current tax	-	-
Deferred tax *:		
Relating to origination and reversal of temporary differences	-	-
Tax expense reported in the statement of profit and loss	-	-

Reconciliation of tax expense and accounting (loss)

	March 31, 2021	March 31, 2020
(Loss) before tax	(447.87)	(77.18)
At the effective income tax rate	(112.72)	(26.97)
Deferred tax asset not created due to no reasonable certainty of earning future taxable income against which deferred tax asset can be realised	112.72	26.97
Net tax expense	-	-

*In accordance with Indian Accounting Standard (Ind AS) 12- Income Taxes, specified under section 133 of the Companies Act, 2013, in view of the losses incurred by the Company Rs. 711.08 lacs (March 31, 2020: Rs. 263.01 lacs), deferred tax asset on such losses amounting to Rs. 178.97 lacs (March 31, 2020: Rs. 66.20 lacs) has not been recognized since it is not probable that the entity will have taxable profits in near future against which this deferred tax can be realised.



DLF Urban Private Limited

Notes to the Financial Statements for the year ended March 31, 2021

(All amounts in ₹ lacs, unless otherwise stated)

34 Previous year's figures have been regrouped/reclassified, wherever considered necessary to make them comparable with current year classifications/disclosures.

As per our audit report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

Firm Registration Number: 301003E/E300005



per Amit Yadav

Partner

Membership Number: 501753

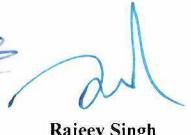


For and on behalf of Board of Directors

DLF Urban Private Limited



Vineet Kanwar
Director
DIN: 00522258



Rajeev Singh
Director
DIN: 02669832



Debasish Mukherjee
Chief Financial Officer



Pradeep Garg
Company Secretary
M.No.: F5667

Place: Gurugram

Date: June 8, 2021

