S.R. BATLIBOI & Co. LLP
Chartered Accountants

4th Floor, Office 405
World Mark - 2, Asset No. 8
IGI Airport Hospitality District, Aerocity
New Delhi - 110 037, India
Tel : +91 11 4681 9500

INDEPENDENT AUDITOR'S REPORT

To the Members of DLF Southern Towns Private Limited

Report on the Audit of the financial statements

Opinion

We have audited the financial statements of DLF Southern Towns Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2025, 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 material 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 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, 2025, its profit 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 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 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 financial statements.

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 financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

S.R. BATLIBOI & CO. LLP

Responsibility of Management and Those Charged with Governance for the 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 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. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 with reference to financial statements 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

S.R. BATLIBOI & CO. LLP *

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 financial statements, including the disclosures, and whether the 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, 2020 ("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, to the extent applicable, 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 except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g);

(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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015;

(e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above;

(g) With respect to the adequacy of the internal financial controls with reference to these 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, 2025;

(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:

S.R. BATLIBOI & CO. LLP

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 35 and 36 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv. a) The management has represented that, to the best of its knowledge and belief and as disclosed in note 43(v), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief and as disclosed in note 43(vi), no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. Based on our examination which included test checks and review of Service Organisation Controls report, the Company has used accounting software which is operated by a third party service provider for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, for the reasons stated in note 45 to the financial statements, we are unable to comment whether the audit trail has been preserved by the Company as per the statutory requirements for record retention for previous year.

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

per Gaurav Kumar Gupta
Partner
Membership Number: 509101

UDIN: 25509101BMOLDB7548
Place: Gurugram
Date: May 15, 2025

S.R. BATLIBOI & CO. LLP

Annexure 1 referred to in paragraph under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: DLF Southern Towns Private Limited ("the Company").

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(a)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of the property, plant and equipment.

(i)(a)(B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.

(i) (b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(i) (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3 to the financial statements which are in the nature of freehold land & buildings, as indicated in the below mentioned case which is acquired pursuant to Scheme of amalgamation approved by National Company Law Tribunal's (NCLT) order dated January 17, 2025, are not individually held in the name of the Company, however the deed of merger has been registered by the Company on April 02, 2025.

Description of item of property	**Gross carrying value**	**Title deeds held in the name of**	**Whether promoter, director or their relative or employee**	**Period held since**	**Reason for not being held in the name of the company**
Land and building	2,692.63	Amon Estates Private Limited, Calista Real Estates Private Limited and Hestia Realtors Private Limited	No	December 2007 to May 2012	During the year, the assets vested in the favour of the Company pursuant to scheme of amalgamation approved by appropriate authority.

(i) (d) The Company has not revalued its property, plant and equipment (including Right of use assets) or intangible assets during the year ended March 31, 2025.

(i) (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year except for inventories represented by the development rights. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories represented by the development rights have been confirmed on the basis

S.R. BATLIBOI & CO. LLP

of custodian certificate of land obtained by the management as at March 31, 2025 and no material discrepancies were noticed on such physical verification and confirmations.

(ii) (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) During the year, the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies as follows:

(Rs. in lacs)

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year				
- Holding company	-	-	23,110.00	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Fellow Subsidiaries	-	-	12,797.00	-
- Others	-	-	-	-
Particulars	**Guarantees**	**Security**	**Loans**	**Advances in nature of loans**
Balance outstanding as at balance sheet date in respect of above cases*				
- Holding company	-	-	24,695.56	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Fellow Subsidiaries	-	-	12,810.81	-
- Others	-	-	-	-

*Represent balance of parties in respect of which any transaction was done during the year.

During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to firms or Limited Liability Partnerships or any other parties.

(iii) (b) During the year, the loans given and the terms and conditions of the grant of all loans to companies are not prejudicial to the Company's interest. During the year, the Company has not made investments, provided guarantees, provided security and granted any loans and advances in the nature of loans to firms, limited liability partnerships or any other parties.

(iii) (c) The Company has granted loan during the year to companies which is repayable on demand along with interest. For loans outstanding at the year end, we have been informed by the management of the Company that it has not demanded repayment of any such loans including interest during the year. Further, repayment or receipts of principal and interest are regular, wherever demanded.

(iii) (d) There are no amounts of loans and advances in the nature of loans granted to companies which are overdue for more than ninety days.

(iii) (e) There were no loans or advance in the nature of loans granted to companies which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

S.R. BATLIBOI & CO. LLP

(iii) (f) As disclosed in note 12 to the financial statements, during the year, the Company has granted loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies. Of these following are the details of the aggregate amount of loans or advances in the nature of loans granted to the related parties as defined in clause (76) of Section 2 of the Companies Act, 2013:

(Amount in Rs. lacs)

	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in the nature of loan - Repayable on demand (A) - Agreement does not specify any terms or period of repayment (B)	 - -	 23,110.00 -	 12,797.00 -
Total (A)+(B)	-	**23,110.00**	**12,797.00**
Percentage of loans/ advances in the nature of loan to the total loans	-	64.36%	35.64%

(iv) The Company has not advanced loans to directors / to a Company in which the director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon. Loans, investments, guarantees and security in respect of which provisions of sections 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to construction/ real estate industry, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii) (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of Statute	Nature of Statutory Due	Amount of Demand (Rs. in Lakhs)	Paid under protest Amount (Rs. in Lakhs)	Period to which it relates	Forum in which dispute is pending
Kerala VAT Act, 2003	Value added tax	741.32	222.40	FY 2008-09 and FY 2009-10	Joint Commissioner of Kerala VAT

S.R. BATLIBOI & CO. LLP

Name of Statute	Nature of Statutory Due	Amount of Demand (Rs. in Lakhs)	Paid under protest Amount (Rs. in Lakhs)	Period to which it relates	Forum in which dispute is pending
Income Tax Act, 1961	Income Tax Act, 1961	4.86	-	FY 2012- 13 and FY 2013-14	Commissioner of Income Taxes (Appeals)

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause 3(ix)(a) of the Order is not applicable to the Company.

(ix) (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix) (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.

(ix) (d) The Company did not raise any funds during the year hence, the requirement to report on clause 3(ix)(d) of the Order is not applicable to the Company.

(ix) (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(ix) (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(x) (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(xi) (b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rule, 2014 with the Central Government.

(xi) (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) (a) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.

(xii) (b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.

S.R. BATLIBOI & CO. LLP

(xii) (c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.

(xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.

(xiv)(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi)(a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.

(xvi)(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.

(xvi)(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(xvi)(d) The Group does not have more than one CIC as part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year respectively.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 30 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013 ("the Act"), in compliance with second proviso to sub-section 5 of Section 135 of the Act. This matter has been disclosed in note 27(b) to the financial statements.

S.R. BATLIBOI & CO. LLP

(xx) (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 27(b) to the financial statements.

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

per **Gaurav Kumar Gupta**
Partner
Membership Number: 509101

UDIN: 25509101BMOLDB7548

Place: Gurugram
Date: May 15, 2025

Annexure 2 to the independent auditor's report of even date on the financial statements of DLF Southern Towns 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 with reference to financial statements of DLF Southern Towns Private Limited ("the Company") as of March 31, 2025 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 ("ICAI"). 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 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls 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 Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to 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 controls with reference to 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

S.R. BATLIBOI & CO. LLP

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 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 With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, 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 issued by the ICAI.

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

per Gaurav Kumar Gupta
Partner
Membership Number: 509101

S.R. BATLIBOI & CO. LLP

UDIN: 25509101BMOLDB7548

Place: Gurugram
Date: May 15, 2025

DLF Southern Towns Private Limited
1st Floor, DLF Gateway Tower, R Block, DLF City, Phase III, Gurugram, Haryana 122002 India
CIN : U45201HR2006PTC102641
Balance Sheet for the year ended 31 March 2025
(All amounts in ₹ lacs, unless otherwise stated)

	Note	As at 31 March 2025	As at 31 March 2024
Assets			
Non-current assets			
Property, plant and equipment	3	**86.77**	92.07
Financial assets			
Other financial assets	4	**102.76**	102.76
Deferred tax assets (net)	5	**412.41**	3,860.00
Non current tax assets (net)	6	**881.63**	462.99
Other non-current assets	7	**850.72**	253.52
Total non-current assets		**2,334.29**	4,771.34
Current assets			
Inventories	8	**51,455.41**	61,003.66
Financial assets			
Trade receivables	9	**67.23**	32.13
Cash and cash equivalents	10	**435.30**	2,872.58
Other bank balances	11	**24.80**	6,583.96
Loans	12	**37,506.69**	33,921.04
Other financial assets	13	**20.84**	573.70
Other current assets	14	**101.85**	1,050.52
Total current assets		**89,612.12**	106,037.59
Total assets		**91,946.41**	110,808.93
Equity and Liabilities			
Equity			
Equity share capital	15(A)	**6.31**	6.31
Preference share capital	15(B)	**47.49**	47.49
Other equity	16	**81,232.86**	70,949.77
Total equity		**81,286.66**	71,003.57
Non-current liabilities			
Provisions	17	**21.70**	21.33
Total non-current liabilities		**21.70**	21.33
Current liabilities			
Financial liabilities			
Trade payables	18		
a) Total outstanding dues of micro enterprises and small enterprises		**1,312.74**	1,499.85
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		**341.58**	281.76
Other current financial liabilities	19	**1,398.76**	644.44
Other current liabilities	20	**7,577.63**	37,357.46
Provisions	21	**7.34**	0.52
Total current liabilities		**10,638.05**	39,784.03
Total equity and liabilities		**91,946.41**	110,808.93
Material accounting policies	2.2		

(The accompanying notes are an integral part of financial statements.)

As per report of even date
For S.R. Batliboi & Co. LLP
ICAI Firm Registration Number: 301003E/E300005
Chartered Accountants

per Gaurav Kumar Gupta
Partner
Membership Number: 509101

Place: Gurugram
Date: 15 May 2025

For and on behalf of the Board of Directors of
DLF Southern Towns Private Limited

Rajneesh
Director
DIN: 09004591

Shishir Kumar
Director
DIN: 08700306

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

DLF Southern Towns Private Limited
1st Floor, DLF Gateway Tower, R Block, DLF City, Phase III, Gurugram, Haryana 122002 India
CIN : U45201HR2006PTC102641
Statement of profit and loss for the year ended 31 March 2025
(All amounts in ₹ lacs, unless otherwise stated)

	Notes	Year ended 31 March 2025	Year ended 31 March 2024
Income			
Revenue from operations	22	**35,900.55**	28,205.21
Other income	23	**3,564.15**	2,813.95
Total income		**39,464.70**	31,019.16
Expenses			
Cost of land, plots, constructed properties and others	24	**23,526.36**	17,389.50
Employee benefits expense	25	**312.25**	125.29
Depreciation expense	3	**6.19**	5.81
Finance costs	26	**34.32**	0.14
Other expenses	27	**2,047.86**	1,186.01
Total Expenses		**25,926.98**	18,706.75
Profit before tax		**13,537.72**	12,312.41
Tax expense	28		
Current tax		**-**	-
Deferred tax		**3,447.00**	1,321.90
Total tax expense		**3,447.00**	**1,321.90**
Profit after tax		**10,090.72**	**10,990.51**
Other comprehensive income/(loss)			
Items that will not be reclassified to profit and loss in subsequent periods:			
Remeasurement gain/(loss) on defined benefit plans		**2.33**	(1.55)
Income tax on above		**(0.59)**	-
Other comprehensive income/(loss)		**1.74**	**(1.55)**
Total comprehensive income period		**10,092.46**	**10,988.96**
Earnings per equity share (nominal value of ₹ 10 per share)	29		
Basic (₹)		**11,397.12**	17,407.40
Diluted (₹)		**1,790.89**	2,042.67
Material accounting policies	2.2		

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

As per report of even date
For S.R. Batliboi & Co. LLP
ICAI Firm Registration Number: 301003E/E300005
Chartered Accountants

per Gaurav Kumar Gupta
Partner
Membership Number: 509101

Place: Gurugram
Date: 15 May 2025

For and on behalf of the Board of Directors of
DLF Southern Towns Private Limited

Rajneesh
Director
DIN: 09004591

Shishir Kumar
Director
DIN: 08700306

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.
DLF

DLF Southern Towns Private Limited
1st Floor, DLF Gateway Tower, R Block, DLF City, Phase III, Gurugram, Haryana 122002 India
CIN : U45201HR2006PTC102641
Cash flow statement for the year ended 31 March 2025
(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2025	Year ended 31 March 2024
A. Cash flow from Operating Activities		
Profit before tax	13,537.72	12,312.41
Adjustments for:		
Amount forfeited on properties	-	(12.09)
Depreciation expense	6.19	5.81
Unclaimed balances and excess provisions written back	(0.16)	(2.83)
Interest income	(3,563.99)	(2,811.12)
Finance costs	34.32	0.14
Allowance / write off's of financial and non-financial assets	121.29	-
Operating profit before working capital adjustments	10,135.37	9,492.32
Adjustments for:		
Decrease in Inventories	9,655.08	10,720.00
(Increase) in trade receivables	(55.33)	(11.44)
Decrease in other assets	995.07	567.66
Decrease / (increase) in other financial assets	2.86	(540.81)
Decrease in loans	0.66	223.82
(Decrease) in trade payables	(62.57)	(278.86)
Increase in other financials liabilities	9.65	14.00
(Decrease) in other current liabilities	(29,777.89)	(7,876.12)
Increase in provisions	7.19	14.53
Cash flow from operating activities post working capital changes	(9,089.91)	12,325.10
Income taxes (paid), net of refunds	(418.64)	(275.67)
Net cash (used in)/ flow from operating activities (A)	(9,508.55)	12,049.43
B. Cash flow from Investing Activities		
Redemption /(investment) in fixed deposit with maturity more than 3 months (net)	7,110.83	6,322.35
Purchase of property, plant and equipment	(0.89)	(3.51)
Loan given	(35,907.00)	(35,334.60)
Loan received back	32,890.00	18,863.00
Interest received	3,000.06	296.37
Net cash flow from/(used in) investing activities(B)	7,093.00	(9,856.39)
C. Cash flow from Financing Activities		
Interest paid	(34.32)	(0.14)
Net cash (used in) financing activities (C)	(34.32)	(0.14)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(2,449.87)	2,192.90
Cash and cash equivalents at the beginning of the year	2,872.58	679.68
Add: Cash and cash equivalents relating to acquistion (refer note 38)	12.59	-
Cash and cash equivalents at year end (refer note 10)	435.30	2,872.58

Components of cash and cash equivalents at year end comprises of:		
Balances with banks (refer note 10)		
- in current accounts	403.46	575.62
- in deposit with original maturity of less than three months	31.84	2,296.96
	435.30	2,872.58

Material accounting policies (Refer note 2.2)
The accompanying notes are an integral part of the financial statements.

As per report of even date
For S.R. Batliboi & Co. LLP
ICAI Firm Registration Number: 301003E/E300005
Chartered Accountants

per Gaurav Kumar Gupta
Partner
Membership Number: 509101

Place: Gurugram
Date: 15 May 2025

S.R. BATLIBOI & CO. LLP

For and on behalf of the Board of Directors of
DLF Southern Towns Private Limited

Rajneesh
Director
DIN: 09004591

Shishir Kumar
Director
DIN: 08700306

DLF SOUTHERN TOWNS PVT. LTD.

DLF Southern Towns Private Limited
1st Floor, DLF Gateway Tower, R Block, DLF City, Phase III, Gurugram, Haryana 122002 India
CIN : U45201HR2006PTC102641
Statement of Changes in Equity for the year ended 31 March 2025
(All amounts in ₹ lacs, unless otherwise stated)

A. Equity Share Capital

	Number	Amount
Equity shares of ₹ 10 each issued, subscribed and fully paid up		
At 01April 2023	63,137	6.31
Changes during the year (refer note 15A)	-	-
At 31 March 2024	63,137	6.31
Changes during the year (refer note 15A)	-	-
At 31 March 2025	63,137	6.31

B. Preference share capital

	Number	Amount
Optionally convertible redeemable preference shares of ₹ 100 each issued, subscribed and		
At 01April 2023	47,491	47.49
Changes during the year (refer note 15B)	-	-
At 31 March 2024	47,491	47.49
Changes during the year (refer note 15B)	-	-
At 31 March 2025	47,491	47.49

C. Other Equity (Refer note 16)

	Reserves and Surplus		Equity share capital to be issued pursuant to merger (refer note 38)	Total other equity
	Securities premium	Retained earnings		
As at 1 April 2023	122,596.18	(62,635.37)	-	59,960.81
Profit for the year	-	10,990.51	-	10,990.51
Addition during the year	-	-	-	-
Other comprehensive income/ (loss)	-	(1.55)	-	(1.55)
As at 31 March 2024	**122,596.18**	**(51,646.41)**	-	**70,949.77**
Profit for the year	-	10,090.72	-	10,090.72
Addition during the year	-	-	190.63	190.63
Other comprehensive income/ (loss)	-	1.74	-	1.74
At 31 March 2025	**122,596.18**	**(41,553.95)**	**190.63**	**81,232.86**

Material accounting policies (Refer note 2.2)
The accompanying notes are an integral part of the financial statements.

As per report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Gaurav Kumar Gupta
Partner
Membership Number: 509101

Place: Gurugram
Date: 15 May 2025

S.R. BATLIBOI & CO. LLP

For and on behalf of the Board of Directors of
DLF Southern Towns Private Limited

Rajneesh
Director
DIN: 09004591

Shishir Kumar
Director
DIN: 08700306

DLF SOUTHERN TOWNS PVT. LTD.

1. Corporate information

DLF Southern Towns 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 DLF Gateway Tower, 1st Floor, DLF Gateway Tower, R Block, DLF City, Phase-III, Gurugram, Haryana-122002. The Company is primarily engaged in the business of construction, development and sale of integrated townships and residential houses and apartments.

These financial statements were authorised for issue in accordance with a resolution of the Company's Board of Directors on 15 May 2025.

2 Basis of preparation and material accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of corporate affairs ('MCA') under section 133 of the Companies Act 2013 ('Act') read with 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 historical cost basis.

The financial statements are presented in Rupees in lacs, except when otherwise indicated.

2.2 Summary of material 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 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.

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD. DLF

b. Foreign currency transactions

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. 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 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.

c. 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:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. 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 un-observable.

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 properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the management.

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.

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

- ► Disclosures for valuation methods, significant estimates, and assumptions (note 39)
- ► Quantitative disclosures of fair value measurement hierarchy (note 39)
- ► Financial instruments (including those carried at amortised cost) (note 39)

d. Revenue from contract with customers and other stream 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 & services before transferring them to the customers.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in note 2.2d (i).

(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 all of 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 one 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 a Point in Time w.r.t. sale of real estate units, including land, plots,apartments, commercial units, development rights including development agreements as and when the control passes on to the customer upon completion of performance obligations and intimations to customers thereof.

Revenue from club operations
Revenue from club operations in respect to sale of food and beverages are recognised net of taxes and discounts as and when services are rendered.

Incremental cost of obtaining contract

The incremental cost of obtaining a contract with a customer is recognised as an asset if company expects to recover those costs subject to other conditions of the standard are met. These costs are charged to statement of profit and loss in accordance with the transfer of the property to the customer.

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

Over a period of time

Revenue from club operations
Revenue in respect of Subscription and membership charges is recognised on an accrual basis, in accordance with the terms of the respective contract on proportionate basis over the period of time of the subscription/membership.

Other income

Income from forfeiture of properties and interest from banks is accounted for on an accrual basis except in cases where ultimate collection is considered doubtful.

(ii) Volume rebates and early payment rebates

The Company provides 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 records 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.

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 note 39 (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.

e. 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. Final adjustment is made on completion of the specific project.

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/plotted 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.

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

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.

Cost of Club Operations
Cost of club operations includes cost of food, beverages, staff cost 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.

f. Taxes

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.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. 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 establishes provisions where appropriate

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 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.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets and current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD. DLF

(All amounts in ₹ lacs, unless otherwise stated)

Sales/ value added taxes/ GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes/Good and services tax paid, except:

- When the tax incurred on a 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.

g. Property, plant and equipment

Recognition and initial measurement

Property plant and equipment are stated at their cost of acquisition net of accumulated depreciation and accumulated impairment losses. On transition to Ind AS, the Company had elected to measure all of its property, plant and equipment at the previous GAAP carrying value (deemed cost)

The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of profit or loss as incurred. The company identifies and determine cost of each component/ part of asset separately, if the component/part have a cost which is significant to the total cost of asset and has a useful life that is materially different from that of the remaining asset.

Subsequent measurement (depreciation and useful lives)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on straight-line basis over the estimated useful lives of the assets as follows:

Asset category*	Useful Life estimated by the management (years)	Useful Life as per Schedule II (years) to the Companies ACT 2013
Buildings	20	60
Plant & machinery	15	15
Furniture and fixtures	10	10
Computers	3	3
Office equipment	5	5
Motor vehicle	10	10

**The Company has, on the basis of technical review and re-assessment by the management, decided to adopt the useful life for building which is different from the useful life recommended in Schedule II of the companies Act, 2013, since the company believes that the estimated life adopted is reasonable and appropriate, considering the technical design and specifications, current usage and the policy of discarding such fixed assets over the above-mentioned period.

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

De-recognition
An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

h. Borrowing costs

Borrowing costs directly attributable to the acquisition and/or construction/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 charged to the statement of profit and loss as incurred. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i. Inventories

- Land and plots other than area transferred to constructed properties at the commencement of construction are valued at lower of cost/as re-valued on conversion to stock and net realisable value. Cost includes land (including development rights and land under agreement to purchase) acquisition cost, borrowing cost, estimated internal development costs and external development charges and other directly attributable costs.

- Construction work-in-progress of constructed properties includes the cost of land (including development rights and land under agreements to purchase), internal development costs, external development charges, construction costs, overheads, borrowing cost if inventorisation criteria are met, development/ construction materials, and is valued at lower of cost/estimated cost and net realisable value.

- Development rights represent amount paid under agreement to purchase land/development rights and borrowing cost incurred by the Company to acquire irrevocable and exclusive licenses/development rights in identified land and constructed properties, the acquisition of which is either completed or is at an advanced stage. These are valued at lower of cost and net realisable value.

Construction/development material is valued at lower of cost and net realisable value. Cost comprises of purchase price and other costs incurred in bringing the inventories to their present location and condition.

Cost is determined on weighted average basis.

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

j. 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

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD. DLF

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.

k. 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 when a reliable estimate of the amount of the obligation can be made at the reporting date . Provisions are discounted to their present values, where the time value of money is material, 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.

When the Company expects some or all of a provision to be reimbursed, 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.

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.

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

Contingent liabilities

A contingent liability recognised for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company
- Present obligation 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 obligation cannot be made.

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

l. Employee benefits

Provident Fund

Retirement benefit in the form of provident fund is a defined benefit scheme. The Company has no obligation, other than the contribution payable to provident fund. The Company recognizes contribution payable to provident fund scheme as an expense, when an employee renders the related services. 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

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

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 recognised 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 unrecognised 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.

Short-term employee benefits

Expense in respect of short-term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

m. 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. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 2.2 (d) 'Revenue from contracts with customers'.

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.

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

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. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

i. Financial assets carried at amortised cost – the 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. 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's balance sheet) when

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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.

(i) Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected

S.R. BATLIBOI & CO. LLP

SOUTHERN TOWNS PVT. LTD. DLF

credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

(ii) 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) 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.

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 assets

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

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

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.

n. Cash and cash equivalents

Cash and cash equivalent 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.

o. Cash dividend and non-cash distribution to equity holders

The Company recognises a liability to make cash or non-cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

p. 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.

q. Changes in accounting policies and disclosures

New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2024, but do not have a material impact on the financial statements of the Company.

Ind AS 116: Leases –

The MCA notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024, which amended Ind AS 116, Leases, with respect to Lease Liability in a Sale and Leaseback. The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendment is effective for annual reporting periods beginning on or after 1 April 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116.

These amendments had no material impact on the financial statements of the Company during the year.

Ind AS 117: Insurance –
The Ministry of Corporate Affairs (MCA) notified the Ind AS 117, Insurance Contracts, vide notification dated 12 August 2024, under the Companies (Indian Accounting Standards) Amendment Rules, 2024, which is effective from annual reporting periods beginning on or after 1 April 2024.

Ind AS 117 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Ind AS 117 replaces Ind AS 104 Insurance Contracts. Ind AS 117 applies to all types of insurance contracts, regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. Ind AS 117 is based on a general model, supplemented by:

• A specific adaptation for contracts with direct participation features (the variable fee approach); and
• A simplified approach (the premium allocation approach) mainly for short-duration contracts.

These amendments had no material impact on the financial statements of the Company during the year.

These amendments had no impact on the financial statements of the Company during the year.

New and amended disclosures, not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below, the Company will adopt this new and amended standard, when it becomes effective:

Ind AS 21: The Effects of Changes in Foreign Exchange Rates –
The Ministry of Corporate Affairs notified amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates, which came into force on 7 May 2025, the date of their publication in the official gazette. The amendments are effective for annual reporting periods beginning on or after 1 April 2025. When applying the amendments, an entity cannot restate comparative information.

The amendment specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

These amendments are not expected to have any material impact on the financial statements of the Company.

r. 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.

S.R. BATLIBOI & CO. LLP ★

DLF SOUTHERN TOWNS PVT. LTD. ★ DLF

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.

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.
Revenue from contracts with customers- The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

The Company determined that the combination of most likely method and expected value method is the appropriate to use in estimating the consideration for the sale of constructed properties. The selected method that better predicts the amount of consideration was primarily driven by the past trend of early payments and down payments by customers as well as current economic condition with respect to real estate industry.

Significant estimates

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.

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

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 expense.

S.R. BATLIBOI & CO. LLP

(This space has been left blank intentionally)

DLF SOUTHERN TOWNS PVT. LTD.

3. Property, plant and equipment

Particulars	Land [refer note (v)]	Buildings	Furniture and fixtures	Plant and machinery	Office equipments	Computers	Vehicles	Total
Cost								
At 01 April 2023	1,427.22	1,265.41	45.54	4.28	13.70	8.24	0.58	2,764.97
Additions	-	-	-	-	3.51	-	-	3.51
Disposals	-	-	-	-	-	-	-	-
At 31 March 2024	1,427.22	1,265.41	45.54	4.28	17.21	8.24	0.58	2,768.48
Additions	-	-	-	-	0.29	-	0.60	0.89
Disposals	-	-	-	-	-	-	-	-
At 31 March 2025	1,427.22	1,265.41	45.54	4.28	17.50	8.24	1.18	2,769.37
Depreciation and impairment								
At 01 April 2023	1,427.22	1,173.79	45.37	3.09	13.03	7.91	0.19	2,670.60
Charge for the year	-	4.74	0.07	0.14	0.59	0.21	0.06	5.81
Disposals	-	-	-	-	-	-	-	-
At 31 March 2024	1,427.22	1,178.53	45.44	3.23	13.62	8.12	0.25	2,676.41
Charge for the year	-	4.75	0.07	0.14	1.05	0.12	0.06	6.19
Disposals	-	-	-	-	-	-	-	-
At 31 March 2025	1,427.22	1,183.28	45.51	3.37	14.67	8.24	0.31	2,682.60
Net Block								
At 31 March 2024	-	86.88	0.10	1.05	3.59	0.12	0.33	92.07
At 31 March 2025	-	82.13	0.03	0.91	2.83	-	0.87	86.77

(i) On transition to Ind AS (i.e. 01 April 2015), the Company has elected to continue with the carrying value of all property, plant and equipment measured as per previous GAAP and use that carrying value as the deemed cost of property, plant and equipment

(ii) Contractual Obligation
There are no contractual commitments for the acquisition of property, plant and equipment.

(iii) Capitalised borrowing cost
No borrowing cost was capitalised during the current and previous year.

(iv) Property, plant and equipment pledged as security
No property, plant and equipment pledged as security for borrowings by the company.

(v) Assets not held in the name of the Company
The title deeds of all immovable properties of land and building are held in the name of the Company as at 31 March 2025, except in cases as stated below.

Description of item of property	Gross carrying value (₹ in lakhs)	Title deeds held in the name of	Whether promoter (Holding Company), director or their relative or employee	Property held since	Reason for not being held in the name of the company
Land and building	2,692.63	Amon Estates Private Limited Calista Real Estates Private Limited Hestia Realtors Private Limited	No	December 2007 to May 2012	During the year, the assets vested in the favour of the Company pursuant to scheme of amalgamation approved by appropriate authority.

During the previous year, registered agreements of development rights in relation to club were held in the name of the Company and the same was confirmed through custodian certificate.

(This space has been intentionally left blank)

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

4. Other financial assets

	31 March 2025	31 March 2024
(Unsecured, considered good unless stated otherwise)		
Security deposit		
from related parties (refer note 32)	50.00	50.00
from others	52.76	52.76
	102.76	102.76

5. Deferred tax assets (net)

	31 March 2025	31 March 2024
(a) Component of deferred tax asset (net)		
Deferred tax asset		
Unabsorbed business losses and depreciation	282.35	3,712.37
Property plant and equipment- depreciation and impairment	122.70	137.64
Provision on employee benefits	7.31	5.50
Amount due to micro enterprises and small enterprises	0.05	4.49
Net deferred tax asset	**412.41**	**3,860.00**

(b) Reconciliation of deferred tax asset:		
Opening balance as of 01 April	3,860.00	5,181.90
Deferred tax charge recognised in Statement of Profit and loss	(3,447.00)	(1,321.90)
Deferred tax charge recognised in OCI	(0.59)	-
Closing balance as at 31 March	**412.41**	**3,860.00**

(i) Deferred tax asset is recognized on unabsorbed depreciation and carry forward of losses to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unabsorbed depreciation and carried forward tax losses can be utilised. The Company has carry forward losses of ₹ 13,290.73 lacs (31 March 2024 ₹ 28,681.64 lacs) that are available for off setting for 8 years against future taxable profits and unabsorbed depreciation of ₹ 118.88 lacs (31 March 2024 ₹ 667.27 lacs) that is available for set off for infinite period. Majority of these losses will expire from year ending 2026-27. The Company has not recognised deferred tax assets in respect of carry forward losses amounting to ₹ 12,287.75 lacs (31 March 2024 ₹ 13,931.28 lacs) as there is no reasonable certainty supported by convincing evidence of the recoverability in near future.

(ii) If the company had to recognised all unrecognised defered tax assets, the profit would increase by ₹ 3,092.58 lacs (31 March 2024 ₹ 3,506.50 lacs).

(c) Movement in deferred tax assets for the year ended 31 March 2025

Particulars	01 April 2024	Recognised in statement of profit and loss	Recognised in OCI	31 March 2025
Deferred tax asset				
Unabsorbed business losses and depreciation	3,712.37	(3,430.02)	-	282.35
Property plant and equipment- depreciation and impairment	137.64	(14.94)	-	122.70
Provision for employee benefits	5.50	2.40	(0.59)	7.31
Amount due to micro enterprises and small enterprises	4.49	(4.44)	-	0.05
Net deferred tax assets	**3,860.00**	**(3,447.00)**	**(0.59)**	**412.41**

Movement in deferred tax assets for the year ended 31 March 2024

Particulars	01 April 2023	Recognised in statement of profit and loss	Recognised in OCI	31 March 2024
Deferred tax asset				
Unabsorbed business losses and depreciation	5,026.31	(1,313.94)	-	3,712.37
Property plant and equipment- depreciation and impairment	154.13	(16.49)	-	137.64
Provision for employee benefits	1.46	4.04	-	5.50
Amount due to micro enterprises and small enterprises	-	4.49	-	4.49
Net deferred tax assets	**5,181.90**	**(1,321.90)**	-	**3,860.00**

6. Non-current tax assets (net)

	31 March 2025	31 March 2024
Income tax paid (net of provisions)	881.63	462.99
	881.63	462.99

7. Other non-current assets

	31 March 2025	31 March 2024
(Unsecured, considered good unless stated otherwise)		
Advances recoverable in kind (refer note 37)		
Considered good	73.72	73.72
Credit Impaired	1,393.73	1,393.73
Deposit with statutory authorities under protest *^	777.00	179.80
	2,244.45	1,647.25
Less: Impairment allowance	(1,393.73)	(1,393.73)
	850.72	253.52

* Includes ₹ 32.33 lacs (31 March 2024 : ₹ 32.33 lacs) deposited to consumer redressal forum [refer note 35 (c)]
^ Includes ₹ 744.67 lacs deposited to VAT authorities [refer note 35 (a)]

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

8. Inventories
(Lower of cost and net realisable value)

	31 March 2025	31 March 2024
Land, development rights and construction work in progress	51,455.41	61,003.66
	51,455.41	**61,003.66**

9. Trade receivables

	31 March 2025	31 March 2024
Trade receivables (refer note 22)	67.23	32.13
Break-up for security details :		
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	67.23	32.13
Trade recceivables - credit impaired	233.90	213.67
Total	**301.13**	**245.80**
Less: Impairment allowance (allowance for expected credit loss)	(233.90)	(213.67)
Total trade receivables	**67.23**	**32.13**

Ageing schedule of trade receivables as at 31 March 2025

Particulars	Outstanding for following period from the booking date						31 March 2025
	Not due*	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	28.41	-	38.82	-	-	-	67.23
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	233.90	233.90
(iv) Disputed trade receivables–considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
Total	**28.41**	-	**38.82**	-	-	**233.90**	**301.13**

Ageing schedule of trade receivables as at 31 March 2024

Particulars	Outstanding for following period from the booking date						31 March 2024
	Not Due*	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	-	11.44	-	-	-	20.69	32.13
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	213.67	213.67
(iv) Disputed trade receivables–considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
Total	-	**11.44**	-	-	-	**234.36**	**245.80**

*Includes unbilled receivables of ₹ 28.41 lacs (31 March 2024 Nil)

10. Cash and cash equivalents

	31 March 2025	31 March 2024
Balances with banks		
- in current accounts*	403.46	575.62
- in deposit with original maturity of less than three months*	31.84	2,296.96
	435.30	**2,872.58**

* Includes ₹ 275.28 lacs (31 March 2024: ₹ 458.40 lacs) held in current accounts and ₹ Nil (31 March 2024: ₹ 1,569.00 lacs) held at deposits for projects registered under Real Estate Regulation Act, 2016 ("RERA"). The money can be utilised for payments of the specified projects.

11. Other bank balances

	31 March 2025	31 March 2024
Fixed deposits with original maturity of more than three months but less than twelve months# *	24.80	6,583.96
	24.80	**6,583.96**

* Includes deposits of ₹ 0.75 lacs (31 March 2024: ₹ 0.75 lacs) pledged with VAT authorities.
# Includes ₹ Nil (31 March 2024: ₹ 6,449.00 lacs) held in other bank balances as deposits for projects registered under Real Estate Regulation Act, 2016 ("RERA"). The money can be utilised for payments of the specified projects.

(This space has been intentionally left blank)

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

12. Loans

(Unsecured, considered good unless otherwise stated)	31 March 2025	31 March 2024
Loan		
Loans to related parties (refer note 32) *	37,506.37	33,920.44
Loans to others:		
Loan to employees	0.32	0.60
	37,506.69	**33,921.04**

Above loan carries interest at the rate of 8.75% p.a. (31 March 2024 : 8.75% p.a.) except certain interest free loan to employees. As per the polcy of the company these loans generate fixed interest income for the Company.

*Loans or advances in the nature of loans granted to promoters, directors, Key Managerial personnel and related parties either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment are mentioned below:

Type of Borrowers	31 March 2025		31 March 2024	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Promoters	-	-	-	-
Directors	-	-	-	-
Key Managerial Personnel (KMP)	-	-	-	-
Related Parties	37,506.37	99.99%	33,920.44	99.99%

13. Other financial assets

(Unsecured, considered good unless stated otherwise)	31 March 2025	31 March 2024
Advances recoverable in cash from customers	20.84	23.70
Deposits with original maturity of more than 12 months but remaining maturity of less than 12 months*	-	550.00
	20.84	**573.70**

*Includes ₹ Nil lacs (31 March 2024: ₹ 550.00 lacs) held in other financial assets as deposits for projects registered under Real Estate Regulation Act, 2016 ("RERA"). The money can be utilised for payments of the specified projects.

14. Other current assets

(Unsecured, considered good unless stated otherwise)	31 March 2025	31 March 2024
Advances recoverable in kind		
Considered good	74.31	34.95
Credit impaired	266.45	266.45
Others		
Balance with statutory authorities		
Considered good	0.49	61.92
Credit impaired	541.82	442.55
Prepaid expenses	27.05	953.65
	910.12	1,759.52
Less: Impairment allowance	(808.27)	(709.00)
	101.85	1,050.52

(This space has been intentionally left blank)

15A. Equity Share capital

	31 March 2025	31 March 2024
Authorized share capital		
5,00,000 (31 March 2024: 5,00,000) equity shares of ₹ 10 each	50.00	50.00
Issued, subscribed and paid-up capital		
63,137 (31 March 2024:: 63,137) equity shares of ₹ 10 each	6.31	6.31

a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

(i) Authorized equity share	No. of shares	Amount
At 1 April 2023	**500,000**	50.00
Changes during the year	-	-
At 31 March 2024	**500,000**	50.00
Changes during the year	-	-
At 31 March 2025	**500,000**	50.00

(ii) Issued, subscribed and paid-up equity share		
At 1 April 2023	63,137	6.31
Changes during the year	-	-
At 31 March 2024	**63,137**	6.31
Changes during the year	-	-
At 31 March 2025	**63,137**	6.31

b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the board of directors is subject to approval of shareholders in the ensuing Annual General Meeting, if any.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares held by holding company :

Name of Shareholders	31 March 2025		31 March 2024	
	No. of shares	₹ In lacs	No. of shares	₹ In lacs
DLF Home Developers Limited and its nominees	63,137	6.31	63,137	6.31
Total	63,137	6.31	63,137	6.31

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

Name of Shareholders	31 March 2025		31 March 2024	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of ₹ 10 each fully paid up				
DLF Home Developers Limited and its nominees	63,137	100.00%	63,137	100.00%

e) Shares held by promoters for the end of the year 31 March 2025

Equity shares of ₹ 10 each fully paid up

Name of Promoters	Class of Shares	Number of shares	%age of Shares held#	%age change during the year
DLF Homes Developers Limited and its nominees	Equity	63,137	100.00	-

Rounded off to two decimals.

Shares held by promoters for the end of the year 31 March 2024

Equity shares of ₹ 10 each fully paid up

Name of Promoters	Class of Shares	Number of shares	%age of Shares held#	%age change during the year
DLF Homes Developers Limited	Equity	63,137	100.00	-

Rounded off to two decimals.

f) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the Balance Sheet date

The Company has neither issued nor there has been any buyback of shares in the current year and in the preceding five year.

15B. Optionally convertible redeemable preference shares	31 March 2025	31 March 2024
Authorized share capital		
50,000 (31 March 2024: 50,000) equity shares of ₹ 100 each	50.00	50.00
Issued, subscribed and paid-up capital		
47,491 (31 March 2024: 47,491) equity shares of ₹ 100 each	47.49	47.49

a) Reconciliation of Optionally convertible redeemable preference shares outstanding at the beginning and at the end of the year

(i) Authorized share capital	No. of shares	Amount
At 1 April 2023	**50,000**	50.00
Increased during the year	-	-
At 31 March 2024	**50,000**	50.00
Increased during the year	-	-
At 31 March 2025	**50,000**	50.00

(ii) Issued, subscribed and paid-up preference share		
At 1 April 2023	47,491	47.49
Issued during the year	-	-
At 31 March 2024	**47,491**	47.49
Issued during the year	-	-
At 31 March 2025	**47,491**	47.49

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

b) Terms/ rights attached to Optionally convertible redeemable preference shares
Rate of dividend : The rate of dividend is 5% p.a. and it is non cumulative.
Redemption/conversion : At the option of the issuer, 1 preference share to be converted into 10 equity shares of face value of ₹ 10/- each at par, at any time on or before 10 years from the date of allotment, i.e. by December 2028 or be redeemed at the end of 10 years at ₹ 100/- each for cash at issue price.
Since the option to convert/ redeem is with the Company, and the instrument meets the criteria for classification as an equity instrument in accordance with applicable Ind AS 32, the same has been considered as equity.

c) Shares held by holding company :

Name of Shareholders	31 March 2025		31 March 2024	
	No. of shares	₹ In lacs	No. of shares	₹ In lacs
DLF Home Developers Limited	47,491	47.49	47,491	47.49
Total	47,491	47.49	47,491	47.49

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

Name of Shareholders	31 March 2025		31 March 2024	
	No. of shares	% of Holding	No. of shares	% of Holding
Optionally convertible redeemable preference shares of ₹ 100 each fully paid up	-			
DLF Home Developers Limited	47,491	100.00%	47,491	100.00%

e) Shares held by promoters for the end of the year 31 March 2025
Optionally convertible redeemable preference shares of ₹ 100 each fully paid up

Name of Promoters	Class of Shares	Number of shares	%age of Shares held#	%age change during the year
DLF Homes Developers Limited	Optionally convertible redeemable preference shares	47,491	100%	-

Shares held by promoters for the end of the year 31 March 2024
Optionally convertible redeemable preference shares of ₹ 100 each fully paid up

Name of Promoters	Class of Shares	Number of shares	%age of Shares held#	%age change during the year
DLF Homes Developers Limited	Optionally convertible redeemable preference shares	47,491	100%	-

16. Other Equity

	31 March 2025	31 March 2024
Reserves and surplus		
Securities premium	122,596.18	122,596.18
Retained earnings	(41,553.95)	(51,646.41)
Equity share capital to be issued pursuant to merger (refer note 38)	190.63	-
Total other equity	**81,232.86**	70,949.77

Movement as per below :-	31 March 2025	31 March 2024
Securities premium		
As per last balance sheet	122,596.18	122,596.18
Addition during the year	-	-
Closing	**122,596.18**	122,596.18
Retained earnings		
Statement of profit and loss		
As per last balance sheet	(51,646.41)	(62,635.37)
Profit for the year	10,090.72	10,990.51
Other comprehensive income/(loss)	1.74	(1.55)
Net surplus in Statement of profit and loss	**(41,553.95)**	**(51,646.41)**
Equity share capital to be issued pursuant to merger (refer note 38)		
As per last balance sheet	-	-
Addition during the year	**190.63**	-
Closing	**190.63**	-

Nature and purpose of reserves
Securities premium
Securities premium represents premium on issue of shares. It will be utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings
Represents surplus in statement of profit and loss.

Equity share capital to be issued pursuant to merger
Represent equity share pending for allotment pursuant to merger.

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

17. Provisions (Non-Current)

	31 March 2025	31 March 2024
Provision for employee benefits		
Gratuity (refer note 34)	21.70	21.33
	21.70	21.33

18. Trade payables

	31 March 2025	31 March 2024
Trade payables*		
Due to micro and small enterprises (refer note 33)	1,312.74	1,499.85
Due to creditors other than micro and small enterprises	341.58	281.76
	1,654.32	1,781.61

* Due to related parties ₹ 46.50 lakhs (31 March 2024: ₹ 64.23 lakhs) (refer note 32)

Ageing schedule of trade payables- March 31, 2025

Particulars	Outstanding for following period from the booking date					31 March 2025
	Not due	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
Undisputed*						
Due to micro and small enterprises	-	880.11	242.01	20.07	170.55	**1,312.74**
Due to creditors other than micro and small enterprises	0.50	46.50	121.76	20.09	152.73	**341.58**
Disputed						
Due to micro and small enterprises	-	-	-	-	-	-
Due to creditors other than micro and small enterprises	-	-	-	-	-	-
Total trade payables	**0.50**	**926.61**	**363.77**	**40.16**	**323.28**	**1,654.32**

Ageing schedule of trade payables- March 31, 2024

Particulars	Outstanding for following period from the booking date					31 March 2024
	Not due	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
Undisputed*						
Due to micro and small enterprises^	-	1,191.98	131.39	114.00	62.48	1,499.85
Due to creditors other than micro and small enterprises	41.21	0.69	69.44	31.49	138.93	281.76
Disputed						
Due to micro and small enterprises	-	-	-	-	-	-
Due to creditors other than micro and small enterprises	-	-	-	-	-	-
Total trade payable	**41.21**	**1,192.67**	**200.83**	**145.49**	**201.41**	**1,781.61**

* Includes retention monies with respect to contractors, which become payable after satisfying the terms and conditions embedded within their respective contracts.
^ In respect of total outstanding dues of micro enterprises and small enterprises beyond the period of 45 days from the due date and also as mentioned in the form MSME-1 filed by the Company with Registrar of Companies , there has been delay in payment to these MSME vendors due to non-submission of requisite documents by the respective vendors, which has been acknowledged by the vendors. Hence, the Company has been unable to process their payments and the delay is not attributable to the Company.

19. Other financial liabilities (Current)

	31 March 2025	31 March 2024
Contingency deposits received from customers	1,058.57	310.80
Security deposits	340.19	333.64
	1,398.76	644.44

20. Other current liabilities

	31 March 2025	31 March 2024
Contract liability (refer note 22)	3,153.49	33,968.37
Payable for cost to completion	4,280.19	3,324.67
Statutory dues	123.74	41.63
Other liabilities	20.21	22.79
	7,577.63	37,357.46

21. Provisions (Current)

	31 March 2025	31 March 2024
Provision for employee benefits		
Gratuity (refer note 34)	3.94	0.49
Compensated absences	3.40	0.03
	7.34	0.52

(This space has been intentionally left blank)

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

	31 March 2025	31 March 2024
22. Revenue from operations		
Revenue from contract with customers		
Revenue from sale of constructed properties	35,805.03	28,069.58
Recreational facility income	88.92	99.59
Amount forfeited on properties	-	12.09
Other operating revenue		
Maintenance income	6.60	23.95
	35,900.55	28,205.21

Timing of revenue recognition	31 March 2025	31 March 2024
Revenue recognition at a point of time	35,893.95	28,162.96
Revenue recognition over the time	6.60	42.25
Total revenue from contracts with customers	35,900.55	28,205.21

Contract balances	31 March 2025	31 March 2024
Trade receivables from contracts under Ind AS 115 (Refer note 9)	67.23	32.13
Contract liabilities (Refer note 20)	3,153.49	33,712.07

Contract assets are initially recognised for revenue earned on account of contracts where revenue is recognised over the period of time as receipt of consideration is conditional on successful completion of performance obligations as per contract or achievement of milestones. Once the performance obligation is fulfilled and milestones for invoicing are achieved, contract assets are classified to trade receivables.

Contract liabilities include amount received from customers as per the instalments stipulated in the buyer agreement to deliver properties once the properties are completed and control is transferred to customers.

Set out below is the amount of revenue recognised from:

Movement of contract liability	31 March 2025	31 March 2024
Amounts included in contract liabilities at the beginning of the year	33,968.37	44,550.19
Amount received/adjusted against contract liability during the year	5,079.07	17,587.35
Performance obligations satisfied in current year $	(35,893.95)	(28,169.17)
Amounts included in contract liabilities at the end of the year	3,153.49	33,968.37

$ Includes ₹ 30,442.45 lacs (31 March, 2024: ₹ 27,213.63 lacs) recognised out of opening contract liabilities

Reconciliation of the amount of revenue recognised in the statement of profit and loss with contracted price :

Revenue as per the contracted price	35,973.57	28,370.39
Adjustments		
Other adjustments (rebates etc)	(73.02)	(165.18)
	35,900.55	28,205.21

Performance obligation

Information about the Company's performance obligations are summarised below:

The performance obligation of the Company in case of sale of residential plots and apartments is satisfied once the underlying unit is complete in accordance with contract with customers and the control is transferred to the customers.

The customer makes the payment for contracted price as per the installment stipulated in the Apartment Buyer's Agreement.

The performance obligation of the Company in respect to sale of foods and beverages are recognised net of taxes and discounts as and when services are rendered and maintenance income on proportionate basis over the period of time on accrual basis.

The transaction price of the remaining performance obligations (unsatisfied or partially satisfied) as at 31 March 2025: ₹ 3,884.92 lacs (31 March 2024: ₹ 37,835.52 lacs). The same is expected to be recognised in 1 to 3 years.

23. Other income	31 March 2025	31 March 2024
Interest from		
Bank deposits	500.94	541.35
Loans and deposits (refer note 32)	3,024.40	2,238.13
Delayed payment from customers	38.65	30.95
Income tax refunds	-	0.69
Other non-operating income		
Unclaimed balances and excess provisions written back	0.16	2.83
	3,564.15	2,813.95

24. Cost of land, plots, constructed properties and others	31 March 2025	31 March 2024
Cost of land, plots, constructed properties and others	23,390.74	17,251.72
Cost of maintenance services	-	8.20
Cost of recreational facility	135.62	129.58
	23,526.36	17,389.50

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

25. Employee benefits expense	**31 March 2025**	31 March 2024
Salaries and bonus	292.76	115.77
Contribution to provident and other funds (refer note 34)	12.34	4.42
Gratuity expense (refer note 34)	6.14	1.23
Staff welfare expenses	1.01	3.87
	312.25	125.29

26. Finance costs	**31 March 2025**	31 March 2024
Interest on		
- loan from related parties (refer note 32)	0.45	-
- Customers	33.31	-
- Others	0.26	-
Interest on delay in payment of taxes	0.17	0.02
Bank charges	0.13	0.12
	34.32	0.14

27. Other expenses	**31 March 2025**	31 March 2024
Rent	2.60	0.82
Electricity, fuel and water charges	2.23	2.64
Repair and maintenance	94.21	68.19
Insurance	2.82	-
Security charges	32.79	32.81
Business promotion	134.55	131.34
Brokerage expenses	964.41	768.59
Compensation paid	36.09	11.17
Legal and professional fees [refer note (a) below]	97.35	140.48
Allowance for expected credit losses (net)	119.50	-
Amounts written off	1.79	-
Donation	500.00	-
Corporate social responsibility [(refer note (b) below]	50.62	-
Miscellaneous expenses	8.90	29.97
	2,047.86	1,186.01

(a) Payment to auditors*		
As auditors'		
Audit fees	17.71	17.63
Tax audit fees	1.50	1.50
Out of pocket expenses	1.06	0.98
	20.27	20.11

*excluding GST

(b) Corporate Social Responsibility (CSR)
Pursuant to Section 135 and other relevant provisions of the Companies Act, 2013 read with the Rules made thereunder (the Act), an amount of ₹ 50.62 lacs (31 March 2024: ₹ Nil) (being 2% of the average net profits of the Company made during the three immediately preceding financial years) was required to be contributed towards Corporate Social Responsibility (CSR) activities detailed below.

		31 March 2025	31 March 2024
a)	Gross Amount to be spent by the Company during the year	50.62	-
b)	Amount approved by the board to be spent during the year	50.62	-
c)	Amount spent in cash during the year on:		
	i) Construction/ acquisition of any asset	-	-
	ii) For purposes other than (i) above*	50.62	-
d)	Excess/(shortfall) at the end of the year	-	-
e)	Total of previous years shortfall	-	-
f)	Reason for excess/(shortfall)	Not Applicable	Not Applicable
g)	Details of spent obligation- contribution to charitable trust	50.62	-

* Nature of CSR activities includes promotion of education through scholarship, health care and welfare of homeless.

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

(All amounts in ₹ lacs, unless otherwise stated)

28. Income tax expense

	31 March 2025	31 March 2024
(a) Tax expense reported in the statement of profit and loss comprises		
Current tax	-	-
Deferred tax	3,447.00	1,321.90
Tax expense reported in the statement of profit and loss	**3,447.00**	**1,321.90**

(b) Reconciliation of tax expense and the accounting profit multiplied by statutory income tax rate for the year indicated are as follows :

	31 March 2025	31 March 2024
Accounting profit before tax	13,537.72	12,312.41
Statutory income tax rate of 25.17% (31 March 2024: 25.17%)	3,407.44	3,099.03
Tax effect of amounts which are not deductible (taxable) in calculating taxable income :		
Tax impact of unrecognised deferred tax on earlier years losses	-	(1,777.13)
Tax impact of expenses not deductible under Income-tax Act, 1961	138.59	-
Others	(99.04)	-
Income tax expense reported in the statement of profit and loss	**3,447.00**	**1,321.90**

29. Earnings / (loss) per share

Earning per share (EPS) is determined based on the net profit attributable to shareholders of the company. Basic earning per share is computed using the weighted average number of equity shares and compulsorily convertible debentures outstanding during the year.

Diluted earning per share amounts are calculated by dividing the profit for the year attributable to equity share holders of the Company by the weighted average number of equity shares and compulsorily convertible debentures 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.

	31 March 2025	31 March 2024
Net profit for the year	10,090.72	10,990.51
Nominal Value of equity Share (₹)	10.00	10.00
Total number of equity shares outstanding at the beginning of the year	63,137	63,137
Weighted average numbers of equity shares to be issued pursuant to merger (refer note 38)	25,400	-
Weighted average number of equity shares for basic EPS	88,537	63,137
Basic earning per share (₹)	**11,397.12**	**17,407.40**
Nominal Value of equity Share (₹)	10.00	10.00
Diluted earning per share (₹)	**1,790.89**	**2,042.67**
Effect of dilution:		
Optionaly Convertible redeemable preference shares	474,910	474,910
Weighted average number of equity shares adjusted for the effect of dilution*	563,447	538,047

* There have been no other transaction involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

S.R. BATLIBOI & CO. LLP

(This space has been intentionally left blank)

DLF SOUTHERN TOWNS PVT. LTD.

(All amounts in ₹ lacs, unless otherwise stated)

30 The ratios for the year ended 31 March 2025 and 31 March 2024 are as follows:

S no.	Ratio	Numerator	Denominator	31 March 2025	March 31, 2024	% Variance	Reason for variance more than 25%
(a)	Current ratio (in times)	Current assets	Current liabilities	8.42	2.67	215.36%	Increase on account of decrease in contract liability as compared to previous year on account of revenue recognition during the year.
(b)	Debt-equity ratio (in times)	Total debt	Total equity	-	-	-	Not applicable
(c)	Debt service coverage ratio (in times)	Earnings before exceptional items, interest and tax	[Finance cost + principal repayments made during the period for non-current borrowings (including current maturities)]	-	-	-	Not applicable
(d)	Return on equity ratio (%)	Net profit after tax	Total equity	12%	15%	(20%)	Not applicable
(e)	Inventory turnover ratio (in times)	Cost of land, plots, constructed properties and others	Average inventory	0.42	0.26	61.54%	Increase on account of increase in Cost of constructed properties and others and decline in inventory on account of revenue recognised.
(f)	Trade receivable turnover ratio (in times)	Revenue from operations	Average trade receivable	722.64	1,067.97	(32.34%)	Decrease on account of increase in revenue from operations.
(g)	Trade payable turnover ratio (in times)*	Not applicable	Average trade payable	-	-	-	Not applicable
(h)	Net capital turnover ratio (in times)	Revenue from operations	Working capital $	0.45	0.43	4.65%	Not applicable
(i)	Net profit ratio (%)	Profit after tax	Revenue from operations	28%	39%	(28.21%)	Decrease on account of decrease in profit after tax and increase in revenue during the year.
(j)	Return on capital employed (%)	Earnings before interest and taxes	Capital employed @	17%	17%	0.00%	Not applicable
(k)	Return on investment (%)	Not applicable	Average investment	-	-	-	Not applicable

* not relevant for industry in which the Company operates
$ Working capital = Total current assets less Total current liabilities
@ Capital employed has been considered as 'Total equity'

S.R. BATLIBOI & CO. LLP

(This space has been intentionally left blank)

DLF SOUTHERN TOWNS PVT. LTD.

31. Segment Information

In line with the provisions of Ind AS 108 - operating segments and basis the review of operations being done by the board and the management, the operations of the Company fall under colonization and real estate business, which is considered to be the only reportable segment. The Company derives its major revenues from construction and development of real estate projects and its customers are widespread. The Company is operating in India which is considered as a single geographical segment.

32. Related party disclosures

a) Name of related parties and related party relationship as per Ind AS 24

I. Related parties where control exists

Ultimate holding company	Rajdhani Investments & Agencies Private Limited
Intermediate Holding company	DLF Limited
Holding company	DLF Home Developers Limited

II. Joint venture of intermediate holding company/ fellow subsidiary (with whom there are transactions during the year/previous year):

Fellow subsidiary companies	DLF Luxury Homes Limited Tiberias Developers Limited Laraine Builders & Constructions Private Limited (merged with company w.e.f 17 January 2025) DLF Clubs and Hospitality Limited (formerly known as DLF Recreational Foundation Limited) DLF Property Developers Limited DLF Utilities Limited Ati Sunder Estates Developers Private Limited Uncial Builders & Constructions Private Limited

(This space has been intentionally left blank)

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

DLF Southern Towns Private Limited
Notes to the financial statements for the year ended 31 March 2025
(All amounts in ₹ lacs, unless otherwise stated)

b) Transactions during the year with related parties:

Description	Ultimate holding company/Intermediate holding company/ Holding company		Fellow Subsidiaries		Total	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Interest on unsecured borrowings						
- Ati Sunder Estates Developers Private Limited	-	-	0.45	-	0.45	-
Total	**-**	**-**	**0.45**	**-**	**0.45**	**-**
Interest Income on loan						
- DLF Home Developers Limited	2,872.85	1,732.87	-	-	2,872.85	1,732.87
- Tiberias Developers Limited	-	-	-	505.26	-	505.26
- DLF Utilities Limited	-	-	135.55	-	135.55	-
- DLF Property Developers Limited	-	-	8.31	-	8.31	-
- Uncial Builders & Constructions Private Limited	-	-	7.03	-	7.03	-
Total	**2,872.85**	**1,732.87**	**150.89**	**505.26**	**3,023.74**	**2,238.13**
Loan given						
- DLF Home Developers Limited	23,110.00	27,334.00	-	-	23,110.00	27,334.00
- DLF Property Developers Limited	-	-	6,932.00	-	6,932.00	-
- Uncial Builders & Constructions Private Limited	-	-	5,865.00	-	5,865.00	-
- Tiberias Developers Limited	-	-	-	8,000.00	-	8,000.00
Total	**23,110.00**	**27,334.00**	**12,797.00**	**8,000.00**	**35,907.00**	**35,334.00**
Loan received as refund						
- DLF Home Developers Limited	24,826.00	8,863.00	-	-	24,826.00	8,863.00
- Tiberias Developers Limited	-	-	8,064.00	10,000.00	8,064.00	10,000.00
Total	**24,826.00**	**8,863.00**	**8,064.00**	**10,000.00**	**32,890.00**	**18,863.00**
Rent paid						
- DLF Home Developers Limited	2.60	0.82	-	-	2.60	0.82
Total	**2.60**	**0.82**	**-**	**-**	**2.60**	**0.82**
Expenses incurred						
DLF Clubs and Hospitality Limited (formerly known as DLF Recreational Foundation Limited)	-	-	0.04	-	0.04	-
- DLF Limited	48.98	-	-	-	48.98	-
- DLF Home Developers Limited	0.54	-	-	-	0.54	-
- DLF Utilities Limited	-	-	6.50	-	6.50	-
Total	**49.52**	**-**	**6.54**	**-**	**56.06**	**-**
Inventory purchased						
-DLF Luxury Homes Limited	-	-	9,449.46	-	9,449.46	-
Total	**-**	**-**	**9,449.46**	**-**	**9,449.46**	**-**
Equity share capital to be issued pursuant to merger						
- DLF Home Developers Limited	190.63	-	-	-	190.63	-
Total	**190.63**	**-**	**-**	**-**	**190.63**	**-**

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

c) Balance outstanding at the end of the year

Description	Ultimate holding company/Intermediate holding company/ Holding company		Fellow Subsidiaries		Total	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Loan receivable						
- DLF Home Developers Limited	22,110.00	23,821.00	-	-	22,110.00	23,821.00
- DLF Property Developers Limited	-	-	6,932.00	-	6,932.00	-
- Uncial Builders & Constructions Private Limited	-	-	5,865.00	-	5,865.00	-
- Tiberias Developers Limited	-	-	-	8,064.00	-	8,064.00
Total	**22,110.00**	**23,821.00**	**12,797.00**	**8,064.00**	**34,907.00**	**31,885.00**
Interest receivable on loan						
- DLF Home Developers Limited	2,585.56	1,559.58	-	-	2,585.56	1,559.58
- DLF Property Developers Limited	-	-	7.48	-	7.48	-
- Uncial Builders & Constructions Private Limited	-	-	6.33	-	6.33	-
- Tiberias Developers Limited	-	-	-	475.86	-	475.86
Total	**2,585.56**	**1,559.58**	**13.80**	**475.86**	**2,599.37**	**2,035.44**
Security deposit given						
- DLF Limited	50.00	50.00	-	-	50.00	50.00
Total	**50.00**	**50.00**	**-**	**-**	**50.00**	**50.00**
Amount recoverable						
- DLF Limited	-	1.41	-	-	-	1.41
- DLF Home Developers Limited	-	13.61	-	-	-	13.61
Total	**-**	**15.02**	**-**	**-**	**-**	**15.02**
Trade payables						
- DLF Limited	45.89	-	-	-	45.89	-
- DLF Home Developers Limited	0.62	-	-	-	0.62	-
- Laraine Builders & Constructions Private Limited	-	-	-	79.25	-	79.25
Total	**46.51**	**-**	**-**	**79.25**	**46.51**	**79.25**
Amount payables						
- DLF Home Developers Limited	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**
Equity share capital						
- DLF Home Developers Limited	6.31	6.31	-	-	6.31	6.31
Total	**6.31**	**6.31**	**-**	**-**	**6.31**	**6.31**
Securities premium						
- DLF Home Developers Limited	122,596.18	122,596.18	-	-	122,596.18	122,596.18
Total	**122,596.18**	**122,596.18**	**-**	**-**	**122,596.18**	**122,596.18**
Equity share capital to be issued pursuant to merger						
- DLF Home Developers Limited	190.63	-	-	-	190.63	-
Total	**190.63**	**-**	**-**	**-**	**190.63**	**-**
Optionally convertible redeemable preference shares						
- DLF Home Developers Limited	47.49	47.49	-	-	47.49	47.49
Total	**47.49**	**47.49**	**-**	**-**	**47.49**	**47.49**

Terms and conditions of transactions with related parties:

1. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs by cheque/ RTGS.

2. The Company given loans to related parties which are repayable on demand. These loans carry interest @ 8.75% p.a (31 March 2024 @ 8.75% p.a). The loan have been utilized by the related parties for meeting the working capital requirements, The assessment is the undertaken at each financial year though examining financial position of the related party and the market in which the related party operates.

DLF Southern Towns Private Limited
Notes to the financial statements for the year ended 31 March 2025
(All amounts in ₹ lacs, unless otherwise stated)

d) Disclosure under section 186 of the Companies Act 2013:

Loans and advances in the nature of loans to Holding/ Fellow Subsidiaries		**Balance as on**		**Maximum balance during the year**	
Name of party	**Status**	**31 March 2025**	**31 March 2024**	**31 March 2025**	**31 March 2024**
DLF Home Developers Limited	Holding company	22,110.00	23,821.00	42,707.00	30,561.00
DLF Property Developers Limited	Fellow subsidiary	6,932.00	-	6,932.00	-
Uncial Builders & Constructions Private Limited	Fellow subsidiary	5,865.00	-	5,865.00	-
Tiberias Developers Limited	Fellow subsidiary	-	8,064.00	8,064.00	10,064.00

There are no transactions of loans and advances to any party in which Directors are interested other than as disclosed above.
These loans are repayable on demand and have been utilized by the related parties for meeting the working capital requirements.

(This space has been intentionally left blank)

(All amounts in ₹ lacs, unless otherwise stated)

33. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	31 March 2025	31 March 2024
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	1,312.74	1,499.85
ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 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 day during the year) but without adding the interest specified under the 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
	1,312.74	**1,499.85**

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

34. Gratuity plan

(i) The Company has a defined benefit gratuity plan, which is unfunded. The Company provides 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. The weighted-average duration of the defined benefit obligation is 4.85 years (31 March 2024: 9.66 years).

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.

S.R. BATLIBOI & CO. LLP

SOUTHERN TOWNS PVT. LTD. DLF

(All amounts in ₹ lacs, unless otherwise stated)

The following tables summaries the components of net benefit expense recognized in the statement of profit or loss:

Amount recognized in the statement of profit and loss

Particulars	31 March 2025	31 March 2024
Current service cost	4.45	0.78
Interest cost	1.69	0.45
Amount recognized in the statement of profit and loss	**6.14**	**1.23**

Movement in the liability recognized in the balance sheet is as under:

Particulars	31 March 2025	31 March 2024
Present value of defined benefit obligation at the beginning of the year	21.82	5.78
Interest cost	1.69	0.45
Current service cost	4.45	0.78
Benefits paid	-	(1.76)
Actuarial losses from changes in financial assumptions	1.41	0.42
Actuarial losses from changes in demographic assumptions	(2.40)	(0.10)
Acquisition /Business Combination/Divestiture	-	15.02
Experience adjustment (loss)/gain for plan liabilities	(1.33)	1.23
Present value of defined benefit obligation at the end of the year	**25.64**	**21.82**
Current portion of defined benefit obligation	3.94	0.49
Non-current portion of defined benefit obligation	21.70	21.33

The principal assumptions used in determining gratuity liability of the Company:

Description	31 March 2025	31 March 2024
Financial Assumptions		
Discount rate	6.47%	7.09%
Salary growth rate	7.00%	7.00%
Demographic Assumptions		
Retirement age (years)	60/62/65/68/70	58/60/62/65/68
Mortality rates	IALM2012-14 Ultimate	IALM2012-14 Ultimate
Withdrawal rates	19%	Upto 30 years: 4% 31-44 years: 3% Above 44 years: 2%

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.

Maturity Profile of Defined Benefit Obligation – Gratuity:

S. No	Year	31 March 2025	31 March 2024
1	Within the next 12 months (next annual reporting period)	4.06	0.51
2	Between 1 and 5 years	20.28	16.97
3	Between 5 and 10 years	9.21	25.83

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

The estimates of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

A quantitative sensitivity analysis for significant assumption as at March 31, 2025 and March 31, 2024 is as shown below:

Sensitivity analysis for gratuity liability:

A quantitative sensitivity analysis for significant assumption as at March 31, 2025 and March 31, 2024 is as shown below:

	31 March 2025		31 March 2025	
Assumptions	**Change in discount rate**		**Change in discount rate**	
Sensitivity level	**0.5% increase**	**0.5% decrease**	**0.5% increase**	**0.5% decrease**
Impact on present value of defined benefit obligation	(0.46)	0.48	0.52	(0.51)

	31 March 2024		31 March 2024	
Assumptions	**Change in salary increases**		**Change in salary increases**	
Sensitivity level	**0.5% increase**	**0.5% decrease**	**0.5% increase**	**0.5% decrease**
Impact on present value of defined benefit obligation	(0.85)	0.91	0.92	(0.87)

Sensitivities due to mortality & withdrawal is not material and hence impact of change not calculated.

(ii) Provident Fund

The provident fund set up by the intermediate holding company is treated as a defined benefit plan since the Company has to meet the interest shortfalls, if any. In this regard, actuarial valuation as on March 31, 2025 was carried out to find out value of projected benefit obligation arising due to interest rate guarantee by the intermediate holding company towards provident fund. In terms of said valuation the Company has no liability towards interest rate guarantee as on 31 March 2025 and 31 March 2024.
Contribution made by the Company to the provident fund trust setup by the intermediate holding company during the year is ₹ 12.34 lakhs (31 March 2024: ₹4.42 lakhs).

35. Contingent liabilities:

Particulars	**31 March 2025**	**31 March 2024**
Sales tax/ VAT demands (refer note a below)	741.32	741.32
Income tax demands (refer note b below)	4.86	4.86
Claims against the Company not acknowledged as debts (refer note c below)	406.50	421.93

(a) The Kerala VAT Authorities, with respect to financial year 2008-09 and 2009-10, argued that the Company is carrying out construction activities and treating it as works contracts as per Kerala Value Added Tax Act, 2003 (the 'KVAT Act'). The Authorities raised demands for tax aggregating to ₹ 366.75 lacs and ₹374.57 lacs for the financial year 2008-09 and 2009-10 respectively. The Company had filed appeals against the said orders before Kerala High Court in earlier years. The Company has deposited ₹ 222.40 lacs under protest and stay has been granted for remaining demand by the Hon'ble Kerala High Court. During the year, the Hon'ble Kerala High Court has remanded the matter to Joint commissioner.

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

(b) For the assessment year 2013-14 and 2014-15, Income-tax authorities have raised demands aggregating to ₹ 1.46 lacs and ₹ 3.40 lacs respectively on account of disallowance of certain expenses against which the Company had filed an appeal before the Commissioner of Income Tax (Appeals) [CIT(A)].

(c) Some of the cases by customers who have been sold real-estate units by the Company which are pending disposal before Consumer Disputes Redressal Forums, in respect of which management based on legal advice is confident that no liability is expected to devolve upon the Company. Also, Company has deposited ₹ 32.33 lacs (31 March 2024: ₹ 32.33 lacs) to Consumer Disputes Redressal Forums against the same which is disclosed as deposits with statutory authorities under protest under other non-current assets (refer note 7).

Based on grounds of appeals and advice of independent legal counsels, the management believes that there is a reasonably strong likelihood of succeeding before the various authorities in above mentioned litigations pending the final decisions on the above matters, no adjustment has been made in these financial statements.

36. Litigations

The Company in earlier years had acquired development rights on 240 acres of land at Sriperambadhur under development agreements from certain companies. These companies had acquired the land parcels through land aggregators. Of the above land, the erstwhile land owners owning 6.32 acres of land [Proportionate cost of such land parcel included under inventories in Note 8 of ₹ 714.06 lacs (31 March 2024: ₹ 714.06 lacs)] have alleged irregularities by the land aggregators in the process of transfer of title in the subject lands to these companies and the title of the land is currently under dispute.

Certain employees have also been accused of being party to the alleged irregularities for which the disputing land owners have filed criminal charges against the said employees. These employees who have signed the sale deeds connected to the disputes as authorised signatories have been granted anticipatory bail by the Hon'ble High Court of Madras. Later on, said case towards employees was directed to Deputy Superintendent of Police to investigate the said matter.

Deputy Superintendent of Police had filed the charge sheet before the Judicial Magistrate, Kancheepuram -1 and the cases are pending trail in the aforesaid court. The management based on facts of the case is confident that the charges against its employees are likely to be dropped and further, these companies had purchased the land from the owners under formal agreements and had also made payments through normal banking channels. Further, the Company shall not incur any financial loss under any circumstances as the Company shall be entitled to compensation from these land owning companies in terms of the development agreement in case the title of the lands under dispute are assessed as defective and accordingly, no adjustments are considered necessary in these financial statements at this stage.

37. DLF Homes Developers Limited (DHDL), had entered into an Agreement to Sale (ATS) dated 25 May 2007 with Venkatnarayana Metals and Realtors Private Limited (VMRL) for purchase of 400 acres of land in Sriperambadhur. Subsequently, DHDL had assigned the said ATS in favour of the DLF Southern Towns Private Limited through assignment deed dated 5 December 2007. Due to delay / change in business plans of the Company, the Company was under negotiations with the party to refund the advance. Since the advance is long outstanding for settlement with VMRL, the company on prudent basis has provided for ₹ 1,393.73 lacs in the books of account, out of total advance amount outstanding of ₹ 1,467.45 lacs.

38. The Hon'ble National Company Law Tribunal ("NCLT"), Chandigarh Bench vide its Order dated 17 January 2025, has approved the Scheme of Arrangement involving merger of Amon Estates Private Limited (Transferor Company No.1), Calista Real Estates Private Limited (Transferor Company No.2), Chevalier Builders & Constructions Private Limited (Transferor Company No.3), Erasma Builders & Developers Private Limited (Transferor Company No.4), Hestia Realtors Private Limited (Transferor Company No.5), Laraine Builders & Constructions Private Limited (Transferor Company No.6) & Snigdha Builders & Constructions Private Limited (Transferor Company No.7) ("Transferor Companies") with DLF Southern Towns Private Limited ("Transferee Company") pursuant to Section 230-232 and other relevant provisions of the Companies Act, 2013 read with the Rules made thereunder. The Company has applied principles of Ind AS and concluded acquisition of transferor companies as asset acquisition. Accordingly, it has acquired their assets and liabilities at fair value and 127,002 shares of ₹10 each are pending allotment basis swap ratio.

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

Difference between assets acquired and liabilities assumed, net of shares to be issued is allocated to assets & liabilities acquired in the ratio of their respective fair values.

Details of net assets acquired and liabilities assumed from Transferor Companies are as follows:

(₹ in lacs)

Particulars	**Amount**
Inventory	106.83
Cash and cash equivalent	12.59
Other assets	120.63
Total assets (A)	**240.05**
Liabilities taken over (B)	**49.42**
Net Assets acquired (A-B)	**190.63**
Shares to be issued to holding company	**190.63**

39. Fair Value Hierarchy

i) Financial instruments by category
For amortised cost instruments, carrying value represents the best estimate of fair value.

Particulars	**31 March 2025**			**31 March 2024**		
	FVTPL	**FVOCI**	**Amortised cost**	**FVTPL**	**FVOCI**	**Amortised cost**
Financial Assets						
Trade receivables	-	-	67.23	-	-	32.13
Cash and cash equivalents	-	-	435.30	-	-	2872.58
Other bank balances	-	-	24.80	-	-	6,583.96
Loans	-	-	37,506.69	-	-	33,921.04
Other financial assets	-	-	123.60	-	-	676.46
Total financial assets	-	-	**38,157.62**	-	-	**44,086.17**
Financial Liabilities						
Trade payables	-	-	1,654.32	-	-	1,781.16
Other financial liabilities	-	-	1,398.76	-	-	644.44
Total financial liabilities	-	-	**3,053.08**	-	-	**2,426.05**

ii) Fair values hierarchy
Financial assets are measured at fair value in the financial statement and 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: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability.

iii) Financial assets measured at fair value – recurring fair value measurements
The Company has not measured any financial asset/financial liabilities on fair value. All the financial assets/financial liabilities have been measured at amortised cost.

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD. DLF

(All amounts in ₹ lacs, unless otherwise stated)

iv) Fair value of instruments measured at amortised cost

Particulars	31 March 2025		31 March 2024	
	Carrying value	Fair value	Carrying value	Fair value
Financial Assets				
Trade receivables	67.23	67.23	32.13	32.13
Cash and cash equivalents	435.30	435.30	2872.58	2872.58
Other bank balances	24.80	24.80	6,583.96	6,583.96
Loans	37,506.69	37,506.69	33,921.04	33,921.04
Other financial assets	123.60	123.60	676.46	676.46
Total financial assets	**38,157.62**	**38,157.62**	**44,086.17**	**44,086.17**
Financial Liabilities				
Trade payables	1,654.32	1,654.32	1,781.61	1,781.61
Other financial liabilities	1,398.76	1,398.76	644.44	644.44
Total financial liabilities	**3,053.08**	**3,053.08**	**2,426.05**	**2,426.05**

40. Financial risk management

The Company's principal financial liabilities comprises of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans and other receivables and cash and cash equivalents 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 advises on financial risks and the appropriate financial risk governance framework for the Company. The Company's senior management ensures 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. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

i) Risk management objectives and policies

The Company's activities expose it to market risk, credit risk and liquidity 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) 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 prices comprise three types of risk: interest rate risk, foreign currency risk and price risk.

(i) Interest Rate Risk

i) Liabilities

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. The company do not have any borrowing and are therefore not subject to interest rate risk as defined in Ind AS 109.

ii) Assets

The company's fixed deposits are carried at fixed rate. Therefore, the said asset is not subject to interest rate risk as defined in Ind AS 109, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

(All amounts in ₹ lacs, unless otherwise stated)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of the change in foreign currency exchange rates. The company doesn't have international transactions and is not exposed to foreign exchange risk.

(iii) Price risk

The Company does not have any investments. So, the Company is not exposed to such risk.

(b) 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, loans, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. 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 deposit and loans give to related parties and other 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

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
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 expected credit loss*
A. Low credit risk	Cash and cash equivalents, other bank balances, and other financial assets	12 month expected credit loss
B. Moderate credit risk	Trade receivable	12 month expected credit loss/ Lifetime expected credit loss
C. High credit risk	None	Lifetime expected credit loss or fully provided for

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 are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy, or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

Credit rating	Particulars	31 March 2025	31 March 2024
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	38,090.39	44,054.04
Moderate credit risk	Trade receivables	67.23	32.13
High credit risk	None	-	-

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

(All amounts in ₹ lacs, unless otherwise stated)

(b) Credit risk exposure

Provision for expected credit losses

The Company provides for expected credit loss based on 12 month and lifetime expected credit loss basis for following financial assets –

31 March 2025

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and equivalents	435.30	-	435.30
Other bank balance	24.80	-	24.80
Other financial assets	123.60	-	123.60
Loans	37,506.69	-	37,506.69
Trade receivables	301.13	233.90	67.23
Total	**38,391.52**	**233.90**	**38,157.62**

31 March 2024

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and equivalents	2,872.58	-	2,872.58
Other bank balance	6,583.96	-	6,583.96
Other financial assets	676.46	-	676.46
Loans	33,921.04	-	33,921.04
Trade receivables	245.80	213.67	32.13
Total	**44,299.84**	**213.67**	**44,086.17**

Expected credit loss for trade receivables under simplified approach

The Company's trade receivables from real estate development business does not have any expected credit loss as legal title is transferred (through registration of property), once the company receives entire payment.

Reconciliation of loss allowance provision - Trade receivables

Reconciliation of loss allowance	Other financial assets
Loss allowance on 1 April 2023	**213.67**
Allowance for expected credit loss	-
Loss allowance on 31 March 2024	**213.67**
Allowance for expected credit loss	20.23
Loss allowance on 31 March 2025	**233.90**

(c) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents due on the basis of expected cash flows. The company takes into account the liquidity of the market in which the entity operates.

Maturities of financial liabilities

The tables below analyze the company's financial liabilities into relevant maturity grouping based on their contractual maturities

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

(All amounts in ₹ lacs, unless otherwise stated)

March 31, 2025	Up to 1 year	1-5 years	Total
Trade Payables	1,654.32	-	1,654.32
Other Financial Liabilities	1,398.76	-	1,398.76
Total	**3,053.08**	-	**3,053.08**

March 31, 2024	Up to 1 year	1-5 years	Total
Trade Payables	1,781.61	-	1,781.61
Other Financial Liabilities	644.44	-	644.44
Total	**2,426.05**	-	**2,426.05**

(d) Legal, taxation and accounting risk

The Company is presently involved into various judicial, administrative, regulatory and litigation proceedings concerning matters arising in the ordinary course of business operations including but not limited to personal injury claims, commercials disputes, tax disputes, and other contractual disputes. Many of these proceedings seek an indeterminate amount of damages. In situations where management believes that a loss arising from a proceeding is probable and can reasonably be estimated, the Company records the amount of the probable loss. As additional information becomes available, any potential liability related to these proceedings is assessed and the estimates are revised, if necessary.

To mitigate these risks, the Company employs in-house counsel and uses third party tax & legal experts to assist in structuring significant transactions and contracts. The Company also has systems and controls that ensure the timely delivery of financial information in order to meet contractual and regulatory requirements and has implemented disclosure controls and Internal controls over financial reporting which are tested for effectiveness on an ongoing basis.

Change to any of the above laws, rules, regulations related to business could have a material impact on its financial statements. Compliance with any proposed changes could also result in significant cost for the Company. Failure to fully comply with various laws, rules and regulations may expose to proceedings which may materially affect its performance.

41 Capital Management

The purpose of the Company';s capital management is :
-Safeguard their ability to continue as a going concern, and
-Maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the carrying value of equity and net debt (net off cash and bank balances including deposits with banks).

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders or issue new shares.

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

The tables below analyze the company's capital structure

Particulars	31 March 2025	31 March 2024
Borrowings (current and non-current) including interest accrued	-	-
Less: Cash and bank balances including other bank balances and deposits with banks but excluding bank deposits under pledge/lien)	(460.10)	(10,006.54)
Net debt (A) *	-	-
Total Equity	81,286.66	71,003.57
Capital and net debt (B)	**81,286.66**	**71,003.57**
Gearing ratio (A/B) *	**Nil**	**Nil**

* Net debt / Gearing ratio has been restricted to Nil as the Company has a net cash position.

42 The Nature of cost of recreational facility as disclosed in note 24 is as follows:

S. No.	Particulars	31 March 2025 (₹ in lakhs)	31 March 2024 (₹ in lakhs)
Cost of recreational facility			
1	Electricity, fuel and water	13.93	12.49
2	**Repair and maintenance**		
	Building	1.53	1.51
	Plant and machinery	2.06	1.57
	Others	60.25	61.26
3	Contractual manpower cost	28.58	23.58
4	Food and beverage expenses	24.58	25.58
5	Miscellaneous expenses	4.69	3.59
	Total	**135.62**	**129.58**

43 Other Statutory Information for financial year ended 31 March 2025 and 31 March 2024:

(i) The Company do not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) The Company does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013.

(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during each financial year.

(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

S.R. BATLIBOI & CO. LLP

DLF SOUTHERN TOWNS PVT. LTD.

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other) relevant provisions of the Income Tax Act, 1961.

(viii) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority or other lender, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India

(ix) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 from the date of their implementation.

44 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. Certain sections of the Code came into effect on 03 May 2023. However, the final rules/interpretation have not yet been issued. Based on preliminary assessment, the Company believes the impact of the change will not be significant.

45 The Company has used a third party operated accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. The Company has obtained service organization controls report i.e. SOC 1 type 2 report ("SOC Report") from the provider of accounting software and has concluded that the audit trail in respect of such software has been recorded and preserved in compliance with the requirements of section 128(5) of the Companies Act, 2013, in respect of the financial year ended 31 March 2025. There has been no instance of audit trail feature being tampered with. Additionally, in respect of the financial year ended 31 March 2024, management is not in possession of SOC Report to determine whether the requirement of preservation of audit trail has been complied as per the statutory requirements for record retention.

46 During the year, pursuant to Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India on "Presentation of accrued wages and salaries of employees", the Company has concluded that presenting such amounts under "Other Liabilities", results in improved presentation and better reflects the nature of these obligations.

Accordingly, the amount aggregating to ₹ 46.81 lakhs (31 March 2024: ₹ 22.79 lakhs) previously classified under head Trade Payables have been reclassified to other current liabilities.

The above changes does not impact recognition and measurement in the financial statements and consequently, there is no impact on total equity or profit of current and previous years.

S.R. BATLIBOI & CO. LLP

(This space has been intentionally left blank)

DLF SOUTHERN TOWNS PVT. LTD.
DLF

47 The figures for the corresponding previous year have been regrouped/ reclassified, wherever considered necessary, to make them comparable with current year classification.

As per report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No. 301003E/E300005
Chartered Accountants

per Gaurav Kumar Gupta
Partner
Membership No. 509101

S.R. BATLIBOI & CO. LLP

Place: Gurugram
Date: 15 May 2025

For and on behalf of the Board of Directors of
DLF Southern Towns Private Limited

Rajneesh
Director
DIN: 09004591

Shishir Kumar
Director
DIN: 08700306

DLF SOUTHERN TOWNS PVT. LTD.
DLF