INDEPENDENT AUDITOR'S REPORT

To the Members of **DLF Property Developers Limited**

Report on the Audit of the Ind AS Financial Statements

Opinion

We have auditeu the accompanying Ind AS financial statements of DLF Property Developers Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("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, 2020, its loss including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

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

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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.

A R G & Co. LLP
CHARTERED ACCOUNTANTS
DELHI

Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended]. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

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DELHI

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanation given to us, the company has not paid or provided any managerial remuneration as defined by the provisions of section 197of the Companies Act, 2013.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

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

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

For and on behalf of
ARG & Co LLP
Chartered Accountants

ARG & Co. LLP
CHARTERED ACCOUNTANTS
DELHI

Kunal Gaba
Partner
M.No. 521269
ICAI Firm Reg. No: 010630N/N500036
UDIN: 20521269AAAABY9123
Date: May 20, 2020
Place: New Delhi

Annexure A to the Independent Auditor's Report of even date to the members of DLF Property Developers Limited, on the financial statements for the year ended March 31, 2020

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

i) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.

ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. Accordingly, the provisions of clauses 3(iii) of the order are not applicable to the company.

iv) According to the information and explanations given to us, the company has not granted any loans or has not provided any guarantee & security to its directors as defined in the section 185 and section 186 of the Companies Act, 2013.

v) During the year, the company has not accepted any deposits as defined in section 73 and section 76 of the Companies Act, 2013 or rules made thereunder. Accordingly, the provision of clause 3(v) of the order is not applicable to the company.

vi) According to the information and explanations provided to us, the Companies (Cost Records & Audit) Rules 2014, are not applicable to the Company. Accordingly, the provision of the clause 3(vi) of the order is not applicable to the company.

vii)

a) According to the records of the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty, value added tax and cess were outstanding, as at March 31, 2020 for a period of more than six months from the date they became payable.

b) As per the information and explanations given to us, no dispute is pending on account of any dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax.

viii) In our opinion and according to the information and explanations given to us, the company has not obtained any loans or borrowings from any financial institution, Bank, Government or debenture holders. Accordingly, the provision of clause 3(viii) of the order is not applicable to the company.

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ix) According to the information & explanation given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loan. Accordingly, the provision of clause 3(ix) of the order is not applicable to the company.

x) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud by the company or no fraud on the company by its officers or employees has been noticed or reported during the year.

xi) According to the information & explanation given to us, the company has not paid or provided any managerial remuneration as defined by the provisions of the section 197 of the Companies Act, 2013. Accordingly, the provision of clause 3(xi) of the order is not applicable to the company.

xii) In our opinion and according to the information & explanation given to us, the company is not a nidhi company. Hence the provision of clause 3(xii) of the order is not applicable to the company.

xiii) According to the information & explanation given to us, all transactions defined under section 188 of the Act are in compliance with Section 188 and details of these transactions are properly disclosed in the financial statement. Further, Section 177 of the Act is not applicable to the Company.

xiv) According to the information & explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provision of clause 3(xiv) of the order is not applicable to the company.

xv) According to the information & explanation given to us, the company has not entered into any non-cash transaction with directors or any person connected with him. Accordingly, the provision of clause 3(xv) of the order is not applicable to the company.

xvi) In our opinion and according to the information & explanation given to us, the company is not required to be registered under section 45-IA of the Reserves Bank of India Act, 1934. Accordingly, the provision of clause 3(xvi) of the order is not applicable to the company.

For and on behalf of
ARG & Co LLP
Chartered Accountants

ARG & Co. LLP CHARTERED ACCOUNTANTS DELHI

Kunal Gaba
Partner
M.No. 521269
ICAI Firm Reg. No : 010630N/N500036
UDIN: 20521269AAAABY9123
Date: May 20, 2020
Place: New Delhi

Annexure - B to the Auditors' Report

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

In conjunction with our audit of the Ind AS financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of **DLF Property Developers Limited**.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the company, are 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the Ind AS 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 system over financial reporting.

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Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 ICAI.

For and on behalf of
ARG & Co LLP
Chartered Accountants

ARG & Co. LLP CHARTERED ACCOUNTANTS DELHI

Kunal Gaba
Partner
M.No. 521269
ICAI Firm Reg. No : 010630N/N500036
UDIN: 20521269AAAABY9123
Date: May 20, 2020
Place: New Delhi

DLF Property Developers Limited
CIN-U45200HR2008PLC075586
2nd Floor, DLF Gateway Tower, R Block, DLF City, Phase III, Gurugram, Haryana – 122002
Balance Sheet as at March 31, 2020

(₹) In Lakhs

Particulars	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non current assets			
a)Financial assets			
i) Investment	3	1.70	1.70
ii) Loans	4	0.10	0.10
b) Deferred tax asset	5	280.74	318.52
Current assets			
a) Inventories	6	2,767.82	1,614.75
b) Financial assets			
i) Cash and cash equivalents	7	1.02	19.78
ii) Other bank balances	8	669.07	-
c) Current tax asset (net)	9	57.17	256.90
Total Assets		**3,777.62**	**2,211.75**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity share capital	10	50.00	50.00
b) Other equity		89.27	440.56
LIABILITIES			
Current liabilities			
a) Financial liabilities			
i)Borrowings	11	1,809.42	1,039.42
ii)Trade payables	12		
-Total Outstanding dues of micro enterprises and small enterprises		-	-
-Total Outstanding dues of creditors other than micro enterprises and small enterprises		22.70	15.04
iii)Other financial liabilities	13	325.65	385.44
b) Current Tax Liabilities	14	-	203.16
c) Other current liabilities	15	1,480.58	78.13
Total Equity and Liabilities		**3,777.62**	**2,211.75**

The accompanying notes are an integral part of these financial statements

Based on our audit report of even date attached.

For and on behalf of
A R G & Co. LLP
Chartered Accountants
(FRN : 010630N/N500036)

A R G & Co. CHARTERED ACCOUNTANTS DELHI

Kunal Gaba
Partner
Membership No.: 521269

Place : New Delhi
Date 2/5/2020

For and on behalf of the Board of Directors
DLF Property Developers Limited

Ashok Nanda
Director
DIN: 1802182

Parkash Chaturvedi
Director
DIN: 00003539

4

DLF Property Developers Limited
CIN-U45200HR2008PLC075586
2nd Floor, DLF Gateway Tower, R Block, DLF City, Phase III, Gurugram, Haryana – 122002
Statement of Profit and Loss for the year ended March 31, 2020

(₹) In Lakhs

Particulars	Note	For the year ended March 31, 2020	For the year ended March 30, 2019
I. Income			
Revenue from operations	16	-	1,359.24
Other income	17	25.11	20.25
Total Income		**25.11**	**1,379.49**
II. Expenses			
Cost of revenue			
Cost incurred during the year	18	1,153.07	
Change in inventories of Stock In Trade		(1,153.07)	176.74
Finance costs	19	202.54	168.56
Other expenses	20	136.09	61.82
Total Expenses		**338.63**	**407.12**
III. Profit before exceptional items and tax		**(313.52)**	**972.38**
Profit/Loss before tax		**(313.52)**	**972.37**
IV. Tax expense			
Income Tax Expense	21	-	203.16
Deferred tax expense/(credit) (including MAT Credit Entitlement)		37.77	302.57
V. Loss after Tax for the year		**(351.29)**	**466.65**
Other comprehensive income		-	-
A i)Items that will not be reclassified to profit and loss		-	-
ii)Income tax relating to items that will not be reclassified to profit or loss		-	-
B i)Items that will be reclassified to profit or loss		-	-
ii)Income tax relating to items that will be reclassified to profit or loss		-	-
Total comprehensive (loss) for the year		**(351.29)**	**466.65**
VI. Earnings per equity share (face value of ₹ 10 per share)	22		
Basic (₹)		**(70.26)**	**93.33**
Diluted (₹)		**(70.26)**	**93.33**

The accompanying notes are an integral part of these financial statements

Based on our audit report of even date attached.

For and on behalf of
A R G & Co. LLP
Chartered Accountants
(FRN : 010630N/N500036)

A R G & Co. LLP CHARTERED ACCOUNTANTS DELHI

Kunal Gaba
Partner
Membership No.: 521269

For and on behalf of the Board of Directors
DLF Property Developers Limited

Ashok Nanda
Director
DIN: 7902699

Parkash Chaturvedi
Director
DIN: 00003539

Place : New Delhi
Date 20/5/2020

DLF Property Developers Limited
CIN-U45200HR2008PLC075586
2nd Floor, DLF Gateway Tower, R Block, DLF City, Phase III, Gurugram, Haryana – 122002

Cash flow statement for the year ended March 31, 2020

(₹ in lakhs)

Particulars	**For the year ended March 31, 2020**	**For the year ended March 30, 2019**
A. Cash flow from operating activities		
Net loss before tax	(313.52)	972.38
Adjustments for:		
Interest expense	178.75	147.60
(Profit)/Loss from partnership firms (net)	87.75	14.47
Amount w/o	(0.04)	0.04
Ind AS adj		
Int income	(19.87)	(19.87)
Int expense	23.79	20.96
Operating loss before working capital changes	**(43.14)**	**1,135.58**
Movements in working capital :		
Increase/(Decrease) in trade payables	7.66	14.01
Increase/decrease in other Assets	(3.42)	(0.10)
Increase/(Decrease) in current Liabilities	1425.00	(1.36)
Increase/(Decrease) in other Financial Liabilities	(199.58)	1.35
(Increase) /Decrease in other financial assets	(0.00)	(253.13)
(Increase) /Decrease in inventories	(1153.07)	176.74
Net cash flow from/(used in) operating activities (A)	**33.45**	**1073.08**
Income tax paid (net of refunds)		-
Net cash flow (used in)/ flow from operating activities (A)	**33.45**	**1,073.08**
B. Cash flow from investing activities		
Investment in bank deposits	(669.07)	-
Net cash flow (used in)/ flow from investing activities (B)	**(669.07)**	**-**
C. Cash flow from financing activities		
Proceeds from borrowings	1,460.00	-
Repayment of borrowings	(690.00)	(866.08)
Interest paid (inclusive of TDS)	(153.14)	(198.95)
Net cash (used in)/ flow from financing activities (C)	**616.86**	**(1,065.03)**
Net increase in cash and cash equivalents (A) + (B) + (C)	**(18.76)**	**8.05**
Opening cash and cash equivalents	19.78	11.73
Closing cash and cash equivalents (refer note 5)	1.02	19.78
	(18.76)	**8.05**

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DELHI

Other disclosures required by Ind-AS 7:

(A) Changes in Liabilities arising from Financing activities

Particulars	Current borrowing	Non - Current borrowing
1st April 2019	1172.01	-
Cash Flows	770.00	-
Interest expenses (excluding interest accrued but not due)	178.75	-
Interest Paid	(150.47)	-
Balance as on 31 March 2020	1970.29	-

Particulars	Current borrowing	Non - Current borrowing
1st April 2018	2,089.44	-
Cash Flows	(866.08)	-
Interest expenses (excluding interest accrued but not due)	147.60	-
Interest Paid	(198.95)	-
Balance as on 31 Mar 2019	1,172.01	-

(B) Changes in Liabilities arising from Investing activities

Other than those disclosed in Cash flow statement, there is no non-cash movement in investing activities

The accompanying notes are an integral part of these financial statements

For and on behalf of
A R G & Co. LLP
Chartered Accountants
(FRN : 010630N/N500036)

A R G & Co. LLP
CHARTERED ACCOUNTANTS
DELHI

Kunal Gaba
Partner
Membership No.: 521269

Place : New Delhi
Date 2/5/20

For and on behalf of the Board of Directors
DLF Property Developers Limited

Ashok Nanda
Director
DIN: 7902699

Parkash Chaturvedi
Director
DIN: 00003539

4

DLF Property Developers Limited
CIN-U45200HR2008PLC075586
2nd Floor, DLF Gateway Tower, R Block, DLF City, Phase III, Gurugram, Haryana – 122002
Statement for changes in Equity for the period ended March 31,2020

A Equity share capital (₹) In Lakhs

Particulars	Balance at 1st April 2018	Change in Equty Share Capital during the year	Balance at 31st March 2019
Equity share capital	50.00	-	50.00

Particulars	Balance at 1st April 2019	Change in Equty Share Capital during the year	Balance at 31st March 2020
Equity share capital	50.00	-	50.00

B Other equity (₹) In Lakhs

Particulars	Reserve and Surplus Retained Earnings	Total equity
Opening Balance at the beginning of the reporting year 01-April-2018	(26.09)	**(26.09)**
Total comprehensive income of the year	466.65	**466.65**
Balance as at 31 March 2019	**440.56**	**440.56**

Particulars	Reserve and Surpluse Retained Earnings	Total equity
Opening Balance at the beginning of the reporting year 01-April-2019	**440.56**	**440.56**
Total comprehensive income of the year	(351.29)	**(351.29)**
Balance as at 31 March 2020	**89.27**	**89.27**

The accompanying notes are an integral part of these financial statements

Based on our audit report of even date attached.

For and on behalf of
A R G & Co. LLP
Chartered Accountants
(FRN : 010630N/N500036)

A R G & Co. LLP
CHARTERED ACCOUNTANTS
DELHI

Kunal Gaba
Partner
Membership No.: 521269

Place : New Delhi
Date 29/5/2020

For and on behalf of the Board of Directors
DLF Property Developers Limited

Ashok Nanda
Director
DIN: 7902699

Parkash Chaturvedi
Director
DIN: 00003539

DLF Property Developers Limited
Notes to Financial Statements for the year ended 31 March 2020

1. Corporate information

DLF Property Developers Limited ('the Company') is engaged primarily in the business of real estate development. The operations of the Company span all aspects of real estate development, from the identification and acquisition of land, to planning, execution, construction and marketing of projects. The Company is a limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office is situated at 2nd Floor, DLF Gateway Tower, R Block, DLF City, Phase III, Gurugram, Haryana – 122 002.

The financial statements for the year ended 31 March 2020 were authorised and approved by the Board of Directors on for issue on 20-May-20

2. Significant accounting policies

2.1 Basis of preparation

The financial statements ('financial statements') of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the 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 except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies. The changes in accounting policies are explained in note 2.2 (n).

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

2.2 Summary of significant accounting policies

a) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

b) Revenue from contract or services with customer and other streams of revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

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 standalone 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.

Interest income from banks is accounted for on an accrual basis on time proportion basis taking into account the amount outstanding and rate applicable.

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

c) 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.

d) Taxes

Current income tax

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

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

A G & Co LLP CHARTERED ACCOUNTANTS DELHI 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.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

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 against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

e) 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, the Company estimates the recoverable amount of the asset. 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, is recognised in the statement of profit and loss.

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

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

CHARTERED ACCOUNTANTS
DELHI

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

f) Cash and cash equivalents

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

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

g) Inventories

Land and real estate project work in progress are valued at lower of cost and net realisable value.
Cost includes land (Including development right) acquisition cost, borrowing cost, estimated internal development cost and external development charges.

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

h) Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation (legal or constructive), as a result of past events, and 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 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 liability is disclosed for:

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

CHARTERED ACCOUNTANTS DELHI

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

i) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.
The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in "other financial liabilities"

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

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Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Fit-out rental income is recognised in the statement of profit and loss on accrual basis.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

j) Financial instruments

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

1) Financial Assets

Initial recognition and measurement

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

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

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

Subsequent measurement

i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost if it is held within a business model whose objective is to hold assets for collecting contractual cash flows and the 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.

ii. **Financial assets at fair value through other comprehensive income** – A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the 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.

CHARTERED ACCOUNTANTS DELHI

iii. **Financial assets at fair value through profit or loss** – A financial asset which is not classified in any of the above categories is subsequently fair valued through 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 derecognised (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 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.

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2) Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables, net of directly attributable transaction costs.

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

Subsequent measurement
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.

4) Reclassification of financial instruments

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

5) Offsetting of financial instruments

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

k) Fair value measurement
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 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.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

CHARTERED ACCOUNTANTS DELHI

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

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

For 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.

l) 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.

m) Changes in accounting policies and disclosures

New and amended standards

The following amendments and interpretations apply for the first time in March 2020, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Upon adoption of Ind AS 116, lessees will apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The lessee will recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company has applied the available practical expedients wherein it applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application. Accordingly, application of Ind AS 116 did not have an impact on the financial statements of the Company.

Appendix C to Ind AS 12– Income taxes

Appendix C - Uncertainty over Income Tax Treatment has been inserted in Ind AS 12. The appendix C to Ind AS 12 addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The appendix specifically addresses the following:

CHARTERED ACCOUNTANTS
DELHI

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Company applies significant judgement in identifying uncertainties over income tax treatments.

Upon adoption of the Interpretation, the Company considered whether it has any uncertain tax positions. The Company's tax filings include deductions based on the management judgement and the taxation authorities may challenge those tax treatments. The Company determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments will be accepted by the taxation authorities. The amendment did not have an impact on the financial statements of the Company.

Amendment to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the financial statements of the Company.

Amendment to Ind AS 19 : Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset). The amendments had no impact on the financial statements of the Company as it did not have any plan amendments, curtailments, or settlements during the period.

Amendments to Ind AS 12 Income taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events. An entity applies the amendments for annual reporting periods beginning on or after 1 April 2019, with early application permitted. When the entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period. Since the Company's current practice is in line with these amendments, they had no impact on the financial statements of the Company.

Amendments to Ind AS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual

CHARTERED ACCOUNTANTS DELHI

reporting periods beginning on or after 1 April 2019, with early application permitted. Since the Company's current practice is in line with these amendments, they had no impact on the financial statements of the Company.

n) Significant management judgement in applying accounting policies and estimation uncertainty

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

Significant management judgements

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

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

Classification of leases – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Determining lease term of contracts with renewal and termination options (Company as lessee)- The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

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.

Allowances for expected credit loss

The Company makes allowances for expected credit loss based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

Revenue from contracts with customers-

The Company has applied judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers.

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

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Significant estimates

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

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

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.

CHARTERED ACCOUNTANTS DELHI

(₹) In Lakhs

	Particulars	As at March 31, 2020	As at March 31, 2019
3	**Non-current investment**		
	In partnership firms		
	Trade investments (unquoted)		
	Rational Builders and Developers	1.00	1.00
	DLF Commercial Projects Corporation	0.70	0.70
		1.70	**1.70**

Detail of investments in partnership firm

Investment in Rational Builders and Developers	As at March 31, 2020		As at March 31, 2019	
	Profit sharing ratio (%)	Amount of investment in capital	Profit sharing ratio (%)	Amount of investment in capital
DLF Limited	86%	32.00	86%	32.00
Kirtimaan Builders Limited	5%	1.00	5%	1.00
DLF Home Developers Limited	6%	2.00	6%	2.00
DLF Phase IV Commercial Developers Limited	1%	1.00	1%	1.00
DLF Property Developers Limited	1%	1.00	1%	1.00
DLF Residential Builders Limited	1%	1.00	1%	1.00
	100%	**38.00**	**100%**	**38.00**

Investment in DLF Commercial Projects Corporation	As at March 31, 2020		As at March 31, 2019	
	Profit sharing ratio (%)	**Amount of investment in capital**	**Profit sharing ratio (%)**	**Amount of investment in capital**
DLF Limited	72.20%	50.54	72.20%	50.54
DLF Home Developers Limited	24.80%	17.36	24.80%	17.36
DLF Phase IV Commercial Developers Limited	1.00%	0.70	1.00%	0.70
DLF Property Developers Limited	1.00%	0.70	1.00%	0.70
DLF Residential Builders Limited	1.00%	0.70	1.00%	0.70
	100%	**70.00**	**100%**	**70.00**

		As at March 31, 2020	As at March 31, 2019
	Aggregate book value of unquoted investments	**1.70**	**1.70**
	Aggregate amount of impairment in value of investments	-	-
	Financial Assets		
4	**Loans**		
	Security Deposits	0.10	0.10
		0.10	0.10
5	**Deferred tax asset**		
	Arising on account of		
	Unabsorbed business losses	280.74	318.52
		280.74	**318.52**

The Company has created the deferred tax assets on the unabsorbed business losses of Rs. 1,115.45 lacs /-.

(i) Caption wise movement in deferred tax assets as follows:

(₹) In Lakhs

Particulars	March 31, 2020		March 31, 2019	
Assets	**Recognised in Balance Sheet**	**Recognised in profit and loss**	**Recognised in Balance Sheet**	**Recognised in profit and loss**
Unabsorbed business losses	280.74	(37.77)	318.52	(302.57)
Total	280.74	(37.77)	318.52	(302.57)

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6 Inventories (valued at lower of cost and net realisable value)		
Developed plots	2767.82	1614.75
	2,767.82	**1,614.75**
Financial assets		
7 Cash and cash equivalents		
Balance with scheduled banks		
In current account	1.02	19.78
	1.02	**19.78**
8 Other bank balances		
Deposis with scheduled banks		
Bank deposits less than 12 months maturity	669.07	-
	669.07	**-**
9 Current tax asset (net)		
Advance Income Tax (including Tax Deducted at Source)	57.17	256.90
	57.17	**256.90**

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(₹) In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
10 EQUITY		
Equity share capital		
(A) Authorised share capital		
500,000 (Previous Year: 500,000) equity shares of ₹ 10 each	50.00	50.00
	50.00	**50.00**
Issued, subscribed and paid-up		
500,000 (Previous Year: 500,000) equity shares of ₹ 10 each fully paid up	50.00	50.00
	50.00	**50.00**

(B) Reconciliation of numbers of equity shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2020	As at March 31, 2019
Equity Shares	No. of shares	No. of shares
At the beginning of the year	500,000	500,000
Add : Change during the period/year	-	-
At the end of the year	**500,000**	**500,000**

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

Rights, preferences and restrictions (including restrictions on distributions of dividends and repayment of capital) attached to the class of shares	Type of Shares
The Company has only one class of equity shares having a par value of ₹10 each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of the remaining assets of the Company after setting all liabilities. The distribution will be in proportion to the number of equity shares held by the share holders.	Equity

(D) Shareholding details of the company

Shareholding details of the company		**As at 31 March 2020**	**As at 31 March 2019**
Name of shareholder	**Class of shares**	**Aggregate number of shares held**	**Aggregate number of shares held**
DLF Homes Developers Limited	Equity	400,000	400,000
DLF Limited	Equity	100,000	100,000

(E) Details of shareholders holding more than 5% shares (Equity)

Details of shareholders holding more than 5% shares (Equity)	**As at March 31, 2020**	**As at March 31, 2019**
Name of shareholder	**Percentage of shares held**	**Percentage of shares held**
DLF Homes Developers Limited	80%	80%
DLF Limited	20%	20%

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DLF Property Developers Limited
CIN-U45200HR2008PLC075586
2nd Floor, DLF Gateway Tower, R Block, DLF City, Phase III, Gurugram, Haryana – 122002
Notes to the financial statements for the year ended March 31, 2020

(₹) In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
11 Borrowings - current		
Loans and advances from related parties		
Unsecured		
Loan from DLF Home Developers Limited, the holding company*	1,809.42	1,039.42
	1,809.42	1,039.42

*Repayable on demand and carries interest @ 9% per annum (Previous year 11.5%) as at balance sheet date

Particulars	As at March 31, 2020	As at March 31, 2019
12 Trade payables		
-Other Payables (Refer Note no 25 For details of dues to micro,small and medium enterprises)		
(a) Total outstanding dues of micro enterprises and small enterprises; and	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises.	22.70	15.04
	22.70	15.04
13 Other financial liabilities		
Other financial liabilities - current		
Security deposits	11.77	187.69
Interest accrued*	160.87	132.59
Other liabilities	0.14	0.03
Other financial liabilities	-	0.01
Due to firms in which company is a partner**	152.87	65.12
	325.65	385.44

*Payable to the Holding Company
**(Balances as on 31.3.2020, DCPC - Rs. 71.04 Lakhs, RBD- Rs.81.83 Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
14 Current Tax Liabilities		
Provision for Income Tax	-	203.16
	-	203.16
15 Other current liabilities		
Statutory dues	0.96	4.03
Deferred income	-	19.92
Contract Liability	1479.62	54.17
	1,480.58	78.13

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DLF Property Developers Limited
CIN-U45200HR2008PLC075586
2nd Floor, DLF Gateway Tower, R Block, DLF City, Phase III, Gurugram, Haryana – 122002
Notes to the financial statements for the year ended March 31, 2020

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
16 Revenue from operations		
Sale of developed plots	-	1,359.24
	-	1,359.24
17 Other income		
Interest on delayed payment from customer	0.59	0.17
Interest income on unwinding of financial instruments	19.87	19.87
Service charges from property customers	1.26	-
Interest received on Bank deposits	3.35	-
Amount written off	0.04	0.21
	25.11	**20.25**
18 Changes in inventories of Stock in trade		
Opening stock of developed plots	1,614.75	1,791.49
Addition during the year	1,153.07	-
Closing stock of developed plots	(2,767.82)	(1,614.75)
	-	**176.74**
19 Finance costs		
Interest on borrowings	178.75	147.60
Interest expense on financial instruments	23.79	20.96
	202.54	**168.56**
20 Other expenses		
Loss from partnership firms (net)	87.75	14.47
Maintenance expenses	11.26	11.26
Fees and taxes	7.78	0.78
Payment to auditors (refer details below)	2.54	1.43
Legal and professional	2.08	1.55
Commission and brokerage- Sales	20.12	31.14
Rent	1.79	0.81
Donation	2.77	-
Adver and publicity	-	0.38
	136.09	**61.83**
Payment to auditors		
Audit fees*	1.36	1.18
Other Services*	1.19	0.25
	2.54	**1.43**

* Including GST

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21 Tax expense

Current Tax	-	203.16
Deferred tax expense/(credit) (including MAT Credit Entitlement)	37.77	302.57
Income tax expense reported in the statement of profit and loss	**37.77**	**505.73**

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% (March 31, 2019 - 27.82%) and the reported tax expense in profit or loss are as follows:

Reconciliation of tax expense and the accounting profit	**For the Year Ended Mar-20**	**For the Year Ended Mar-19**
Accounting (loss)/profit before income tax	**(313.52)**	**972.38**
Ind AS adjustments not allowed under tax laws	3.92	1.09
Expenses which will never be allowed under tax laws	95.44	14.47
Taxable Profit /(Loss) under tax Laws	(214.17)	987.94
Brought forward Carry forward Losses under Tax Laws	(1,144.89)	(2,132.82)
Eligible Unabsorbed Losses available for Carry forward on which DTA has been created	**(1,115.46)**	**(1,144.89)**
At country's statutory income tax rate of 25.17% (27.82% for March, 2019)	25.17%	27.82%
Deferred Tax Assets as per last year audited financials	318.51	621.08
Deferred Tax Assets recomputed	280.74	318.51
Deferred Tax Expense/ (Asset)	**37.77**	**302.57**
Current Year Tax Expense - Mat @20.59%	-	**203.16**
Income tax expense in Profit & Loss Account	**37.77**	**505.73**
	0.00	**0.00**

22 Earning per equity share

Earnings Per Share ('EPS') is determined based on the net profit attributable to the shareholders' of the Holding Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

Net profit attributable to equity shareholders		
(Loss) after tax and for the year	(351.29)	466.65
Profit attributable to equity holders adjusted for the effect of dilution	**(351.29)**	**466.65**
Nominal value of equity share (₹)	10	10
Total number of equity shares outstanding at the beginning of the year	500,000	500,000
Total number of equity shares outstanding at the end of the year	500,000	500,000
Weighted average number of equity shares	500,000	500,000
Face value per share (₹)	10	10
Earnings per equity share		
Basic	(70.26)	93.33
Nominal value of equity share (₹)	10.00	10.00
Weighted average number of equity shares used to compute diluted earnings per share	500,000	500,000
Diluted	(70.26)	93.33

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23 Related party information

a) Relationship

Information required to be disclosed under IND AS 24 on "Related Party Disclosures".

i) Ultimate Parent Company
Rajdhani Investments & Agencies Private Limited

ii) Intermediate Parent Company
DLF Limited (Parent Company of DLF Home Developers Limited)

ii) Parent Company
DLF Home Developers Limited

iii) Fellow subsidiaries
DLF Estate Developers Limited
Kolkata Invention Convention Center Private Limited
Blanca Builders and Developers Private Limited (w.e.f. February 6, 2020)

iv) Partnership firms
DLF Commercial Projects Corporation
Rational Builders and Developers

b) Related Party Transactions:

Description	Name of the entity	In Lakhs For the year ended March 31, 2020	For the year ended March 31, 2019
Transactions during the year			
Maintenance expenses	DLF Estate Developers Limited	11.26	11.26
Rental Expense	DLF Home Developers Limited	1.79	0.81
Loan refunded	DLF Home Developers Limited	690.00	866.08
Loan taken	DLF Home Developers Limited	1,460.00	-
Interest Expenses	DLF Home Developers Limited	178.75	147.60
Loss from partnership firms	Rational Builders and Developers	33.34	14.16
	DLF Commercial Projects Corporation	54.41	0.31
Reimbursement	Kolkata Invention Convention Center Private Limited	-	605.10

Description	Name of the entity	In Lakhs As at March 31, 2020	In Lakhs As at March 31, 2019
Balance at the year end			
Borrowings	DLF Home Developers Limited	1,809.42	1,039.42
Interest payable on borrowings	DLF Home Developers Limited	160.87	132.59
Equity share capital	DLF Ltd	10.00	10.00
	DLF Home Developers Limited	40.00	40.00
Investments	DLF Commercial Projects Corporation	0.70	0.70
	Rational Builders and Developers	1.00	1.00
Trade Payables	DLF Estate Developers Limited	-	2.77
Other financial liabilities - current	Rational Builders and Developers	81.83	48.49
	DLF Commercial Projects Corporation	71.04	16.62
Contract liability	Blanca Builders and Developers Private Limited (w.e.f. February 6, 2020)	200.00	-

24 Based on the underlying market value of the inventory of developed plots (at cost) amounting to ₹ 2,767.82 lakhs (previous year ₹ 1614.75 lakhs), the management is confident that the future sales will generate adequate revenues and taxable profits against which deferred tax assets recognized on unabsorbed tax losses in the financial statements shall be adjusted

25 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006"):

Particulars	March 31,2020	As at March 31, 2019
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	Nil	Nil
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23.	Nil	Nil

The above information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

26 **Foreign Exchaunge Earnings and outgo**

Year	March 31, 2020	March 31, 2019
Earnings	Nil	Nil
Outgo	Nil	Nil

27 **Changes in liabilities arising from financing activities**

Particulars	Borrowings	Interest accrued on borrowings
Balance as at the April 1, 2019	**1,039.42**	**132.59**
Additions	1,460.00	178.75
(Deletions)	(690.00)	150.47
Closing balance as at March 31, 2020	**1,809.42**	**160.87**

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DELHI

28 Financial instruments

i) Financial instruments by category and fair value by hierarchy

Financial assets and financial liabilities 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.

ii) Financial instruments measured at fair value-recurring fair value measurements- Nil

iii) Fair value of instruments measured at amortised cost:

(₹) In Lakhs

Particulars	Level	31 March 2020		31 March 2019	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets					
Investment in Partnership firms	1	1.70	1.70	1.70	1.70
Loans	3	0.10	0.10	0.10	0.10
Cash and equivalents	3	1.02	1.02	19.78	19.78
Other bank balance	3	669.07	669.07	-	-
Other financial assets	3	0.00	0.00	-	-
Total financial assets		**671.89**	**671.89**	**21.58**	**21.58**

Particulars	Level	31 March 2020		31 March 2019	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial liabilities					
Borrowings (including Interest accrued)	3	1,809.42	1,809.42	1,039.42	1,039.42
Trade payables	3	22.70	22.70	15.04	15.04
Other financial liabilities	3	478.52	478.52	385.44	385.44
Total financial liabilities		**2,310.64**	**2,310.64**	**1,439.91**	**1,439.91**

iv) The carrying value and fair value of financial instrument by categories as follows:

(₹ in lakhs)

Particulars	Level	March 31, 2020			March 31,2019		
		FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
Financial assets							
Investment in Partnership firms	1	-	1.70	-	-	1.70	-
Loans	3	-	-	0.10	-	-	0.10
Cash and equivalents	3	-	-	1.02	-	-	19.78
Other bank balance	3	-	-	669.07	-	-	-
Other financial assets	3	-		0.00	-	-	-
Total financial assets		**-**	**1.70**	**670.19**	**-**	**1.70**	**19.88**

Particulars	Level	March 31, 2020			March 31,2019		
		FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
Financial liabilities							
Borrowings	3	-	-	1,809.42	-	-	1,039.42
Trade payables	3	-	-	22.70	-	-	15.04
Other financial liabilities	3	-	-	478.52	-	-	385.44
Total financial liabilities		**-**	**-**	**2,310.64**	**-**	**-**	**1,439.90**

v) Financials instruments measured at amortised cost

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

vi) Risk management

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured	Aging analysis	Bank deposits, diversification of asset base and credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Company's risk management is carried out by a central treasury department (of the company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

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(A) Credit risk
Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents and financial assets measured at amortised cost. The Company continuously monitors defaults of other counterparties and incorporates this information into its credit risk controls.

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

Asset group	Basis of categorisation	Provision for expenses credit loss
Low credit risk	Loans,Cash and cash equivalents, investments ,other bank balance and other financial assets	*12 month expected credit loss*
Moderate credit risk	Not applicable	Life time expected credit loss
High credit risk	Not applicable	Life time expected credit loss or fully

Cash & cash equivalents and bank deposits
Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Assets under credit risk – (₹ in lakhs)

Credit rating	Particulars	March 31, 2020	March 31, 2019
A: Low credit risk	Loans,Cash and cash equivalents, investments ,other bank balance and other financial assets	671.89	21.58

b) **Credit risk exposure**
Provision for expected credit losses
The Company provides for 12 month expected credit losses for following financial assets –

As at March 31, 2020 (₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit loss (%)	Expected credit losses	Carrying amount net of impairment provision
Loans	0.10	0%	-	0.10
Cash and cash equivalents	1.02	0%	-	1.02
Other Bank Balance	669.07	0%	-	669.07
Investment	1.70	0%	-	1.70

As at March 31, 2019 (₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit loss (%)	Expected credit losses	Carrying amount net of impairment provision
Loans	0.10	0%	-	0.10
Cash and cash equivalents	19.78	0%	-	19.78
Investment	1.70	0%	-	1.70

(B) 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 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 analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

March 31, 2020	Less than 1 year	1-5 years	More than 5 years	Total
Non-derivatives				
Borrowings	1,809.42	-	-	**1,809.42**
Trade payable	22.70	-	-	**22.70**
Other financial liabilities	478.52	-	-	**478.52**
Total	**2,310.64**	**-**	**-**	**2,310.65**

March 31, 2019	Less than 1 year	1-5 years	More than 5 years	Total
Non-derivatives				
Borrowings	1,039.42	-	-	**1,039.42**
Trade payable	15.04	-	-	**15.04**
Other financial liabilities	385.44	-	-	**385.44**
Total	**1,439.90**	**-**	**-**	**1,439.90**

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29 Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through optimisation of debt and equity balance. The capital structure of the Company consists of net debt and total equity of the Company.
The Company is not subject to any externally imposed capital requirements.

30 The Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Company has recognised provision for income tax for the year ended 31st March, 2020 and re-measured the balance of net deferred tax assets basis the rate prescribed in the said section. The re-measurement has resulted in a write down of the net deferred tax assets by Rs. 30.36 lakhs which has been fully charged to the profit and Loss account.

31 The outbreak of Coronavirus (COVID -19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc. On 24th March 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till 31st May 2020 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.

Consequently, the Company has assessed the impact of this pandemic on its business operations and has made detailed assessment of its liquidity position for the next one year. The Company has assessed the recoverability and carrying values of its assets comprising property, plant and equipment; intangible assets; trade receivables, inventories and other assets as at the balance sheet date using various internal and external information up to the date of approval of these financial statements. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered and no material adjustment required in the financial statements. Also, basis the future cash flow projections and availability of working capital limits , the Company is expected to have sufficient cash flows to meet its obligations for next twelve months and does not anticipate that it will not be able to realize its assets and discharge its liabilities in the normal course of business. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements due to uncertainties associated with its nature and duration and is highly dependent on future economic developments.

The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future spread of the COVID-19 and its impact on the Company's business operations. The Company will continue to closely monitor any material changes to future economic conditions.

32 Expenditure on Corporate Social Responsibility

In terms of the section 135 of the Companies Act 2013, the company is obligated to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities in compliance with its CSRC. During the year the company has made the CSR expenditure on the eligible activities as prescribed in Schedule VII of the Companies Act 2013 are as follows:

Gross amount required to be spent by the company during the financial year 2019-2020 ₹ 277,000/- (PY - Nil)

33 The Company's primary business segment is reflected based on principal business activities carried on by the Company i.e. development of real estate projects and all other related activities, which as per IND AS – 108 on "Segment Reporting" as prescribed in the Companies (Accounting standards) Rules, 2006 is considered to be the only reportable segment. The Company is primarily operating in India which is considered as a single geographical segment.

34 Current Financial assets comprising Cash and Cash Equivalents and current financial liabilities comprising Trade payables, Other financial liabilities are stated at their nominal value.

35 Revenue Recognition as per IND AS 115

Timing of revenue recognition	**31 March 2020**	**31 March 2019**
Revenue recognition at a point of time	-	1,359.24
Revenue recognition over period of time	-	-
Total revenue from contracts with customers	**-**	**1,359.24**

Contract balances	**31 March 2020**	**31 March 2019**
Trade receivables from contracts under Ind AS 115		
Contract Liabilities (refer note 16)	1,479.62	54.17
	1,479.62	**54.17**

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
Contract liabilities include amount received from customers as per the payment plan stipulated in the buyer agreement till possession of plot and control is transfered to customers.

CHARTERED ACCOUNTANTS

Set out below is the amount of revenue recognised from:

Movement of contract liability	**31 March 2020**	**31 March 2019**
Amounts included in contract liabilities at the beginning of the year	54.17	54.03
Amount received/Adjusted against contract liability during the year	1,425.44	1,359.39
Performance obligations satisfied in previous years	-	(1,359.24)
Amounts included in contract liabilities at the end of the year	**1,479.62**	**54.17**

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

Revenue as per Contracted price	-	1,359.24
Adjustments		
Significant financing component	-	-
Other adjustments	-	-
	-	**1,359.24**

Perfomance obligation

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

The performance obligation of the Company in case of sale of plots is satisfied once the registeration process is completed and control is transfered to the customers.

The company has recognised the revenue from sale of developed plots on individual contract basis at the time of execution of agreement/registary with government authorities and the entire contract value is realized.

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

36 The Company's primary business segment is reflected based on principal business activities carried on by the Company i.e. development of real estate projects and all other related activities, which as per IND AS – 108 on "Segment Reporting" as prescribed in the Companies (Accounting standards) Rules, 2006 is considered to be the only reportable segment. The Company is primarily operating in India which is considered as a single geographical segment.

37 The balances of payables and receivables are subject to their respective confirmation.

38 Pursuant to the approval of the Board of Directors vide its resolution dated June 13, 2019 and in accordance with Sections 232-234 of the Companies Act, 2013; the Company has filed an application before the Hon'ble National Company Law Tribunal (NCLT), Chandigarh for approval of the Scheme of Arrangement with DLF Luxury Homes Ltd. (Transferee Company)

39 In the opinion of the Board of Directors current assets, loans and advances have a value on realization in the ordinary course of company's business at least equal to the amount at which they are stated in the financial statements and no provision is required to be made against the recoverability of these expenses.

39 The unhedged currency exposure as on March 31, 2020 Nil (Previous year March 31, 2019) NIL

40 Capital Commitment and Contingent Liability as on March 31, 2020 Nil (Previous year March 31, 2019) NIL

41 The balances of paybles and receivables are subject to their confirmation.

ARG & Co. LLP
CHARTERED ACCOUNTANTS
DELHI

42 Figures of previous years have been regrouped/reclassified where ever considered necessary to make them comparable with that of current year

43 Figures have been rounded to nearest lakh.

For and on behalf of the Board of Directors
DLF Property Developers Limited

Place : New Delhi
Date

Ashok Nanda
Director
DIN: 7902699

Parkash Chaturvedi
Director
DIN: 00003539

A R G & Co. LLP
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