



**20<sup>th</sup>**  
**ANNUAL REPORT**  
**2018-19**

**DLF PROMENADE LIMITED**

**CIN: U74920HR1999PLC034138**

**REGD. OFFICE: SHOPPING MALL PHASE-1**  
**DLF CITY, GURUGRAM,**  
**HARYANA-122002.**

**DLF PROMENADE LIMITED**  
**(CIN:U74920HR1999PLC034138)**



**Company Information**

**Board of Directors**

Ms. Pushpa Bector  
Non Executive Director  
(DIN – 02917318)

Mr. R.P. Punjani  
Non Executive Director  
(DIN -00050645)

Mr. Surinder Singh Chawla  
Independent Director  
(DIN – 00102064)

Mr. Santosh Kumar Garg  
Independent Director  
(DIN – 01153590)

Mr. Raj Kumar Jain  
Nominee Director  
(DIN - 00026544)

**Company Secretary**

Mr. Manoj Kumar Dua

**Chief Financial Officer**

Mr. Gurpreet Singh

**Manager**

Mr. Siddhartha Natu

**Reference Information**

**Registered Office Address**

Shopping Mall, Phase-I, DLF City,  
Gurugram, Haryana-122002.

**Registrar & Share Transfer Agent**

For Debentures:

Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot no. 31&32,  
Gachibowli, Financial District,  
Nanakramguda, Hyderabad-500032.

For Equity Shares:

Alankit Assignments Limited  
'Alankit House' 2E/21, Jhandewalan  
Extens., New Delhi – 110055.

**Debentures listed at**

Bombay Stock Exchange  
(ISIN: INE865N07018)

**Debenture Trustee**

Axis Trustee Service Limited  
2<sup>nd</sup> Floor, E, Axis House,  
Bombay Dyeing Mills Compound,  
Pandurang Budhkar Marg  
Worli, Mumbai – 400 025.

**Statutory Auditors**

S.R. Batliboi & Co. LLP  
Golf view, Corporate Tower-B, Sector-42,  
Sector Road, Gurugram-122002, Haryana.

# DLF PROMENADE LIMITED

Regd. Office: Shopping Mall, Phase-I, DLF City, Gurugram, Haryana-122 002  
(CIN - U74920HR1999PLC034138) Website: [www.dlfpromenade.com](http://www.dlfpromenade.com)  
Tel No.: 0124-4778121, Email: [dlfpromenade@dlf.in](mailto:dlfpromenade@dlf.in)

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## NOTICE

NOTICE IS HEREBY GIVEN THAT THE 20<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD ON MONDAY, 15<sup>TH</sup> JULY 2019 AT 10:30 A.M. AT 11<sup>TH</sup> FLOOR, GATEWAY TOWER, DLF CITY, PHASE – III, GURUGRAM, HARYANA – 122002 TO TRANSACT THE FOLLOWING BUSINESS:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement for the financial year ended 31<sup>st</sup> March 2019 together with the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Pushpa Bector (**DIN - 02917318**), who retires by rotation and being eligible, offers herself for re-appointment.

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



Manoj Kumar Dua  
Company Secretary

Date: 03.05.2019  
Place: Gurugram

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## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON POLL INSTEAD OF HERSELF/HIMSELF IN ACCORDANCE WITH THE COMPANIES ACT, 2013 AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE ENCLOSED PROXY FORM, IF INTENDED TO BE USED SHOULD REACH AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED, STAMPED AND SIGNED NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FIXED FOR THE MEETING.**
2. The details of Director seeking re-appointment, in terms of the Companies Act, 2013 (including Secretarial Standard-2) is annexed hereto and forms part of this Notice.
3. Relevant documents and statutory registers are open for inspection at the Registered Office of the Company at Shopping Mall, Phase-I, DLF City, Gurugram - 122002 on all working days up to the date of the AGM and shall also be available for inspection at the AGM.
4. Corporate member intending to send its authorized representative to attend the meeting is requested to send a certified copy of Board Resolution authorizing its representative to attend and vote on its behalf at the meeting.
5. Copy of the full Annual Report (2018-19) is being sent to all the persons who are entitled to receive the same. Hard copy of the Annual Report will be made available to debenture holders who request for the same.
6. The Annual Report is also available on the Company's website at the link <http://dlfpromenade.com/investor.asp>.
7. The facility for voting through polling paper in terms of Section 109 of the Companies Act, 2013 and the rules made thereunder shall be made available at the Annual General Meeting.
8. The Company has appointed Yogesh Kapoor & Associates, Company Secretary in whole-time practice as Scrutinizer to scrutinize the polling process in fair and transparent manner. Mr. Harsh Oberoi has given his consent for such appointment.
9. Route map of the venue of the Meeting (including prominent land mark) is annexed.

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## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U74920HR1999PLC034138

**Name of the Company:** DLF Promenade Limited

**Registered office:** Shopping Mall, Phase-I, DLF City, Gurugram, Haryana – 122 002.

Name of the member (s): \_\_\_\_\_  
Registered address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Folio No/ Client Id: \_\_\_\_\_  
DP ID: \_\_\_\_\_

I/We, being the member(s) of ..... Shares of the above named Company, hereby appoint

1. Name:.....

Address :

E-mail Id:

Signature :..... , or failing him/her

2. Name:.....

Address:

E-mail Id:

Signature:..... , or failing him/her

3. Name:.....

Address:

E-mail Id:

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20<sup>th</sup> Annual General Meeting of the Company, to be held on **Monday, 15<sup>th</sup> July 2019 at 10:30 A.M. at 11<sup>th</sup> Floor, Gateway Tower, DLF City, Phase – III, Gurugram, Haryana – 122002** and at any adjournment thereof in respect of such resolutions as are indicated below:

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Resl. No.	Resolutions	For #	Against #	Abstained #
1.	Adoption of Audited Financial Statement as at 31 <sup>st</sup> March 2019 together with Reports of Board of Directors and Auditors thereon.			
2.	Re-appointment of Ms. Pushpa Bector (DIN - 02917318), as Director, who retires by rotation.			

Signed this ..... day of..... 2019

Signature of Member

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp of  
Appropriate  
value

## Notes:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at least forty-eight (48) hours before the commencement of the meeting.
- 2) A Proxy need not be a member of the Company.
- 3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- # 4) This is only optional. Please put '✓' or 'x' in the appropriate column against the resolutions indicated in the Box. If you leave 'For/or 'Against' column blank against the resolution, your Proxy will be entitled to vote in the manner as he/she deems appropriate.
- 5) Appointing a proxy does not prevent a member from attending the meeting in person, if he/she so desire.

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## ATTENDANCE SLIP

**20<sup>th</sup> Annual General Meeting – Monday, 15<sup>th</sup> July 2019**

1.	Full Name and Registered Address of the Member (in BLOCK LETTERS)	
2.	Full Name of the Proxy/Authorised Representative (in BLOCK LETTERS)	
3.	Folio No./DP Id – Client Id*	
4.	No. of Equity Shares held	

I/We Being the Registered Shareholder/Proxy for the Registered Shareholder\*\* of the Company, hereby record my/our presence at 20<sup>th</sup> Annual General Meeting of the Company held on **Monday, 15<sup>th</sup> July 2019 at 10:30 A.M. at 11<sup>th</sup> Floor, Gateway Tower, DLF City, Phase – III, Gurugram, Haryana – 122002** and at any adjournment(s) thereof.

\_\_\_\_\_  
Member's / Proxy's Signature

**\*Applicable for investors holding shares in electronic form**

**\*\*Strike off whichever is not relevant**

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## Details of the Director seeking re-appointment at the Annual General Meeting

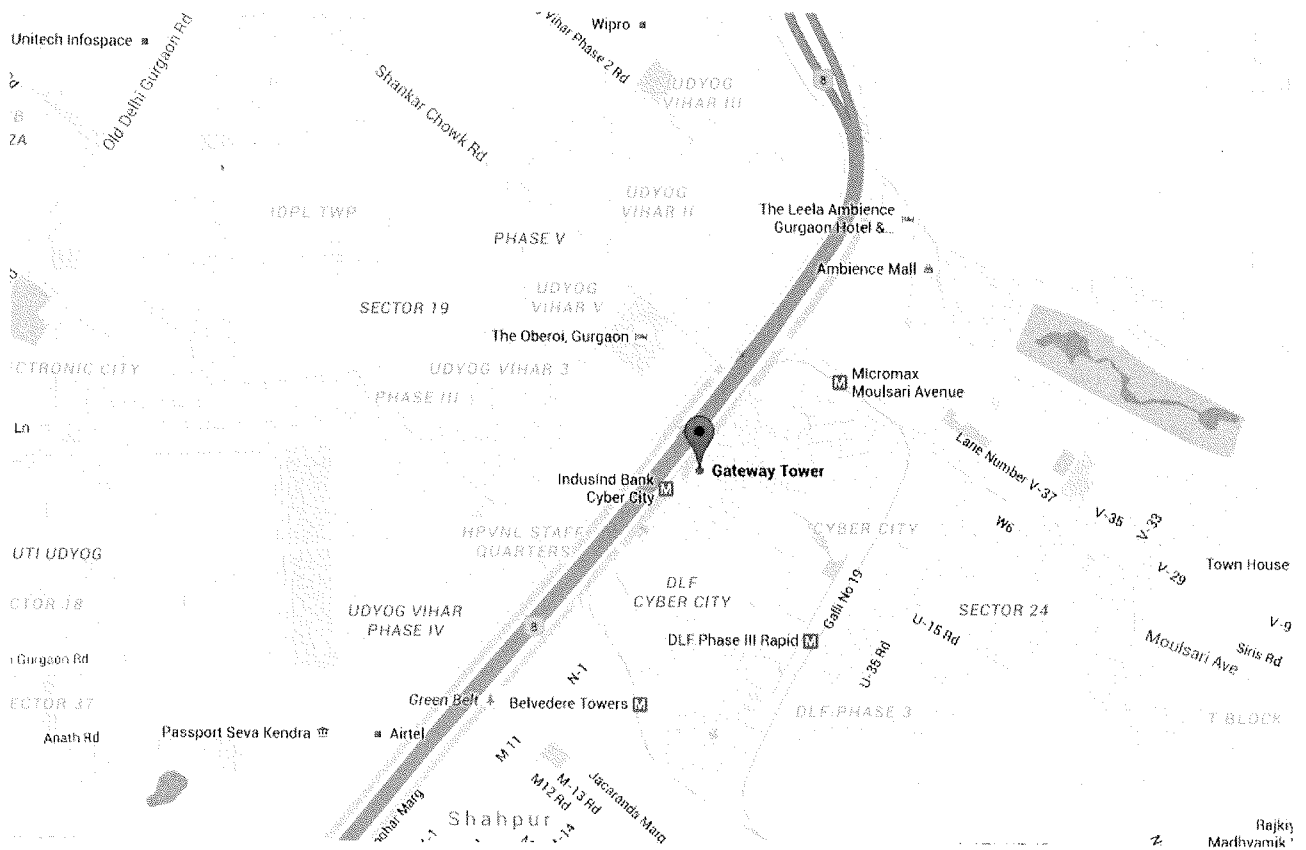
<b>Name of Director</b>	<b>Ms. Pushpa Bector</b>
<b>Age</b>	53
<b>Qualifications</b>	Graduate from Oberoi Centre for Learning and Development.
<b>Experience</b>	Having rich experience of over 22 years, she has been a renowned name in the retail and mall business domain. Prior to joining the DLF group, she has also worked in various capacities in esteem organisations like all marquee properties of Oberois', Jubilant FoodWorks Limited and Domino's pizza.
<b>Terms and Conditions:</b>	Director liable to retire by rotation.
<b>Details of remuneration sought to be paid:</b>	Remuneration- N.A.
<b>Date of first appointment on the Board</b>	03.03.2017
<b>Shareholding in the Company</b>	NIL
<b>Relationship with Other Directors and other KMP(S)</b>	NIL
<b>Number of Board Meetings attended during the year (2018-19)</b>	5 (Five)
<b>Other Directorship(s)</b>	DLF City Centre Limited; and DLF Power & Services Limited
<b>Committee Positions in other Public Companies</b>	Nil



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## ROUTE MAP OF 20<sup>TH</sup> ANNUAL GENERAL MEETING VENUE



LOCATION MAP OF GATEWAY TOWER, DLF CYBER CITY, DLF PHASE-III, GURUGRAM -122002.

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## DIRECTORS' REPORT

### To the Members,

Your Directors have pleasure in presenting their 20<sup>th</sup> Annual Report on the business and operations of the Company together with the audited financial results for the financial year ended 31<sup>st</sup> March 2019.

### Financial Results

	2018-19	2017-18
Total Income	15,428.93	14,847.14
Total Expenses	12,260.50	12,128.28
Profit before exceptional items and tax	3,168.43	2,718.86
Exceptional items	-	(3,704.48)
Profit/(Loss) before tax	3,168.43	(985.62)
Less: Tax Expenses		
Current tax	689.52	134.39
Minimum alternate tax credit	(583.81)	-
Deferred tax	692.24	1,119.72
Net Profit/(Loss)	2,370.48	(2,239.73)

### Review of Operations

During the FY 2018-19, total income has been increased by 3.92% from ₹ 14,847.14 lakh (previous year) to ₹ 15,428.93 lakh due to increase in rental & signage/promotional income and service income. The expenses of the Company has been increased by 1.09% from ₹ 12,128.28 lakh (previous year) to ₹ 12,260.50 lakh due to increase in expenses on electricity, heating, ventilation and air-conditioning expenses by the Company. The Net Profit/(Loss) of the Company stood at ₹ 2,370.48 lakh against ₹ (2,239.73) lakh (previous year). The basic & diluted EPS for the FY 2018-19 is ₹ 36.35/- as compared to (₹ 34.34/-) in previous year.

### About DLF Promenade - Delhi's Shopping Capital

"DLF Promenade", located at the Nelson Mandela road in the heart of Vasant Kunj, New Delhi, is a renowned mall for the trend-conscious discerning customers of Delhi and NCR. By the virtue of its offerings, DLF Promenade has earned the distinction of being the city's complete shopping destination. Spread over 4.6 lakhs of square foot area, DLF Promenade caters to customers who are looking for a quality shopping experience coupled with a chic ambience.

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DLF Promenade not only boasts of some of the best brands in the fashion retail industry, but it also offers some exclusive value additions. With its strong global and ethnic fashion labels, Delhi's only 7-screen PVR ICON Cinemas, a strong mix of F&B brands; the mall is becoming a wonderful communication platform for reaching out to different target markets with culturally, socially relevant propositions. Housed in the mall are Kiddyland - the largest outdoor play area for kids, and The Hub - a one-of-a-kind open-air lifestyle space comprising cafés and dancing fountain on the likes of Bellagio.

With the rise of a millennial spender and a shift in their shopping habits, DLF Promenade has adapted into creating a shopping destination with a multi-purpose appeal. This is reflected by the launch of a strong spectrum of 17 new brands such as Under Armour, Superdry Sports, Tanishq, Bath & Body Works, Adidas Performance, Yum Yum Cha, Masaba, Kalista and more.

The mall has constantly reinvented the whole aura of the place to keep pace with the ever-changing tastes of consumers from all walks of life. Several accessibility features for differently abled and elderly further make the mall a truly inclusive place.

It has become the nerve centre for an all-around experience for customers coming from various parts of the city and suburb. Promenade brings the factor of novelty and innovation on the table that attracts more customers and enables earning the label which is modern and ground-breaking in its approach and reaches. From supporting causes, to engaging passive decision makers in the most intriguing ways; the mall has its own way of inviting every plausible gentry into visiting the mall.

## **Future Outlook**

The future of retail is becoming increasingly exciting with experience being rendered the greatest emphasis by various stakeholders. This variety of experience will be the key inflection point for success of malls, with food and beverages and entertainment facilities increasing in importance. Innovative developers are introducing new entertainment options in the malls and retailers are trying to merge online experiences with offline one to enhance customer's experience.

The Internet of Things will make shopping easier, cheaper, and more convenient. Leveraging augmented reality for customers to engage better will become a norm as shopping opportunities will soon be

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available everywhere, with options for purchasing products "on the go". The reverse is trend is also fast picking up, as clicks to bricks phenomenon is being adopted by some of the biggest e-com players.

As a result, retail is being redefined for every stakeholder viz. retailers, investors, developers and consumers, because of pace at which the 'experience of retailing' has been changing over the last few years.

Recent FDI retail policies have created an environment conducive to retail business are steps in right directions. The new e-commerce guidelines will further benefit brick and mortar retail and help them retain customers.

## **Dividend**

Your Board of Directors for the financial year under review, with a view to conserve resources for future development and expansion have not recommended any dividend on Equity Shares.

## **Reserves**

During the financial year under review, the Company has transferred ₹ 2,370.47 lakh to Debenture Redemption Reserve towards redemption of redeemable non-convertible debentures.

## **Material Changes and Commitment**

There was no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statement relates and the date of the report.

## **Changes in the nature of Business**

There were no changes in the nature of business during the financial year under review.

## **Share Capital Structure**

During the financial year under review, there were no changes in the Share capital of the Company.

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## **Commercial mortgage backed securities (CMBS)**

3,750 secured, rated, listed, redeemable non-convertible debentures of face value of ₹ 10 Lakhs each having coupon rate of 10.90% per annum payable on monthly rests under commercial mortgage backed securities structure aggregating to ₹ 375 Crores (Rupees Three Hundred and Seventy-Five Crores Only), issued and allotted by the Company continue to be listed with Bombay Stock Exchange.

CRISIL has re-affirmed its rating on CMBS to '**CRISIL AA (SO)/Stable**' vide its letter dated 6<sup>th</sup> March 2019 and ICRA has also re-affirmed its rating on CMBS to '**[ICRA]AA(SO)/Stable**' vide its letter dated 22<sup>nd</sup> November 2018.

The Company vide its early redemption notice dated 18<sup>th</sup> April 2019 issued to Axis Trustee Services Limited, has exercised its right to redeem all the aforesaid non-convertible debentures on 12<sup>th</sup> June 2019 in terms of Clause 2.5.1. (Early Redemption Date) of Debenture Trust Deed dated 15<sup>th</sup> May 2014.

The members may kindly note that the management is in discussion with various lenders to refinance the said loan and expect to meet its obligation to Debenture Holders as it falls due on 12<sup>th</sup> June 2019.

## **Payment of Listing Fee**

Annual listing fee for the Financial Year 2019-20 in connections with the non-convertible debentures listed with Bombay Stock Exchange has been paid by the Company.

## **Fixed Deposits**

The Company has not accepted/renewed any public deposits during the financial year under review.

## **Holding Company**

DLF Cyber City Developers Limited and DLF Limited are the holding Companies of your Company. Rajdhani Investments & Agencies Private Limited is the ultimate holding Company of your Company.

## **Subsidiary/Associate Companies/Joint Venture**

During the financial year under review, the Company does not have any subsidiary/associate Companies/ joint ventures, therefore the provisions of Section 129(3) of the Companies Act, 2013 are not applicable to the Company.

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## **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are given at **Annexure-A** hereto and form part of this report.

## **Particulars of Employees**

The Company has no employee whose particulars are required to be given under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any amendments made thereunder from time to time.

## **Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace**

Your Company has been following a policy framed by DLF Limited, the holding Company (DLF), on Prohibition, Prevention and Redressal of Sexual Harassment of Women at workplace and matter connected therewith or incidental thereto covering all the aspects as contained under "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013". The Internal Complaints Committee of DLF handle/ deal with the complaints pertaining to DLF and its subsidiaries. During the period under review, no complaint was received.

## **Directors' Responsibility Statement**

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

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- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis;
- (e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **Secretarial Standards**

During the FY under review, your Company has duly followed all applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings'.

## **Number of Meetings of the Board**

During the financial year under review, the Board met 5 (five) times i.e. on 16<sup>th</sup> May, 31<sup>st</sup> July & 26<sup>th</sup> October 2018 and 29<sup>th</sup> January & 25<sup>th</sup> March 2019 as per the under noted attendance. The maximum interval between any two meetings was in compliance with the provisions of the Act. The requisite quorum was present at all the meetings.

S.No.	Name of the Members	Position	No. of meetings	
			Held during tenure	Attended
1.	Mr. Surinder Singh Chawla	Independent Director	5	4
2.	Mr. Santosh Kumar Garg	Independent Director	5	5
3.	Ms. Pushpa Bector	Director	5	5

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4.	Mr. Raj Kumar Jain	Nominee Director	5	5
5.	Mr. R.P. Punjani	Director	5	5

## **Audit Committee**

The Audit Committee consists of the following members:

Mr. Surinder Singh Chawla, Independent Director	Chairman
Mr. Santosh Kumar Garg, Independent Director	Member
Ms. Pushpa Bector, Director	Member

During the financial year 2018-19, five (5) meetings of the Audit Committee was held on 16<sup>th</sup> May, 31<sup>st</sup> July & 26<sup>th</sup> October 2018 and 29<sup>th</sup> January & 25<sup>th</sup> March 2019 as per the under noted attendance. The maximum interval between any two meetings was in compliance with the provisions of the Act. The requisite quorum was present at all the meetings.

S. No.	Name of the Members	Position	No. of meetings	
			Held during tenure	Attended
1.	Mr. Surinder Singh Chawla	Independent Director	5	4
2.	Mr. Santosh Kumar Garg	Independent Director	5	5
3.	Ms. Pushpa Bector	Director	5	5

The Board had accepted all recommendations of the Audit Committee.

## **Vigil Mechanism**

The Company has established a Vigil Mechanism policy namely "DLF Promenade Limited - Vigil Mechanism" under the supervision of the Audit committee.

During the financial year under review, the Board of Directors had made modification in the existing Vigil Mechanism Policy of the Company in order to align the existing "Vigil Mechanism Policy" of the



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Company with the "Whistle Blower Policy" of DLF Limited, the holding Company and to expand its scope to include Directors/ employees/ customers/ vendors, if any.

## **Nomination and Remuneration Committee (NRC)**

The NRC consists of the following members:

Mr. Surinder Singh Chawla, Independent Director	Chairman
Mr. Santosh Kumar Garg, Independent Director	Member
Ms. Pushpa Bector, Director	Member

The broad terms of reference are as under: -

1. To determine Remuneration Policy of the Company;
2. To recommend to the Board the remuneration, whether by way of salary, perquisites, sitting fees, commission, stock options, sweat equity or in a combination thereof or otherwise, payable to the Managing Director(s), Whole-time Director(s) and other Directors, their relatives engaged in the employment of the Company;
3. To recommend to the Board the remuneration, whether by way of salary, perquisites, commission, retainership fee or otherwise, payable to Directors for discharging the professional or other services otherwise than in the capacity of Director;
4. To frame policies and compensation including salaries, incentives, bonuses, promotion, benefits, stock options and performance targets for executives of the Company;
5. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;

The Committee while formulating the policy, shall ensure that:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

# DLF PROMENADE LIMITED

Regd. Office: Shopping Mall, Phase-I, DLF City, Gurugram, Haryana-122 002  
(CIN - U74920HR1999PLC034138) Website: [www.dlfpromenade.com](http://www.dlfpromenade.com)  
Tel No.: 0124-4778121, Email: [dlfpromenade@dlf.in](mailto:dlfpromenade@dlf.in)

(c) remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

6. Formulation of criteria for evaluation of Board, its Committees and individual Directors including Independent Directors;
7. Devising a policy on Board diversity; and
8. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

During the financial year 2018-19, one meeting of the Nomination and Remuneration Committee was held on 16<sup>th</sup> May 2018, the attendance of which is as under and requisite quorum was present in the meeting:-

S. No.	Name of the Members	Position	No. of meetings	
			Held during tenure	Attended
1.	Mr. Surinder Singh Chawla	Independent Director	1	-
2.	Mr. Santosh Kumar Garg	Independent Director	1	1
3.	Ms. Pushpa Bector	Director	1	1

A copy of "Nomination and Remuneration Policy" shall remain open for inspection by the members during business hours on any working day at the Registered Office of the Company and has been disclosed on Company's website at the link <http://dlfpromenade.com/investor-policies.asp>.

## **Corporate Social Responsibility Committee (CSR Committee)**

The CSR Committee consists of the following members:

Mr. Surinder Singh Chawla, Independent Director	Chairman
Ms. Pushpa Bector, Director	Member
Mr. R.P. Punjani, Director	Member

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During the financial year 2018-19, three meetings of the Corporate Social Responsibility Committee were held on 16<sup>th</sup> May & 31<sup>st</sup> July 2018 and 25<sup>th</sup> March 2019 the attendance of which is as under and requisite quorum was present in all the meetings:-

S.No.	Name of the Members	Position	No. of meetings	
			Held during tenure	Attended
1.	Mr. Surinder Singh Chawla	Independent Director	3	2
2.	Ms. Pushpa Bector	Director	3	3
3.	Mr. R.P. Punjani	Director	3	3

The Board of Directors on the recommendation of the CSR Committee had amended the CSR policy of the Company for better governance perspective and to ensure best utilization of amount given to the nodal agency appointed for CSR expenditure and also to have better monitoring mechanism for implementation of the CSR projects/programs/activities.

During the financial year under review, the Company has made significant investments in community welfare initiatives for the underprivileged through healthcare and environment through Shree Mahavir Ji Charitable Trust and Lal Chand Public Charitable Trust. The Company spent the entire sum of ₹ 34.30 lakhs as entitled towards CSR activities/ projects/ programs for the FY 2018-19 in terms of Section 135 of the Companies Act, 2013 read with Schedule VII and the rules made thereunder ("the Act").

A copy of "Corporate Social Responsibility Policy" shall remain open for inspection by the members during business hours on any working day at the registered office of the Company and has been disclosed on Company's website at the link <http://dlfpromenade.com/investor-policies.asp>. The Annual Report on CSR activities is annexed as **Annexure-B**.

## **Auditors**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the rules made thereunder, S.R. Batliboi & Co. LLP [301003E/E300005], Chartered Accountants were appointed as Statutory Auditors of the Company for a term of five consecutive years from the conclusion of 18<sup>th</sup> Annual General Meeting ("AGM") till the

# **DLF PROMENADE LIMITED**

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conclusion of 23<sup>rd</sup> AGM vide shareholders resolution dated 28<sup>th</sup> September 2017.

## **Auditors' Report**

There has been no qualification, reservation or adverse remarks or disclaimer in the Auditors' Report on the financials of the Company. The observations of the Auditors in their report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

## **Cost Records**

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, your Company was not required to maintain cost records for the FY 2018-19.

## **Secretarial Audit**

The Board had appointed A.S. & Associates, Company Secretaries in Practice, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2019, is annexed as **Annexure-C**. The said report does not contain any qualification, reservation or adverse remarks.

## **Directors & Key Managerial Personnel**

Pursuant to Section 152 of the Companies Act, 2013, Ms. Pushpa Bector, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The Board recommends her re-appointment.

The independent Directors have submitted declarations that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

During the financial year no non-executive Directors of the Company had pecuniary relationship or transactions with the Company, other than the sitting fees paid to independent directors and nominee director and reimbursement of expenses incurred by non-executive Directors for the purpose of attending meetings of the Company.

# **DLF PROMENADE LIMITED**

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Mr. Siddhartha Natu, Manager, Mr. Gurpreet Singh, Chief Financial Officer and Mr. Manoj Kumar Dua, Company Secretary are the Key Managerial Personnel (KMPs) of the Company in terms of the provisions of the Companies Act, 2013.

None of the Directors of the Company are disqualified under Section 164 of the Companies Act, 2013.

## **Extract of the Annual Return**

The extract of the Annual Return in Form No. MGT-9 as provided under Section 92(3) of the Companies Act, 2013 is annexed as **Annexure-D**.

## **Particulars of loans, guarantees or investments**

Particulars of loans covered under Section 186 of the Companies Act, 2013, form part of the notes to the financial statement provided in this Annual Report.

During the financial year under review, the Company has not given any loans or had provided guarantees or made any investment as covered Section 186 of the Companies Act, 2013 and rules made thereunder.

## **Transactions with Related parties**

The Company has adequate procedures for the purpose of identification and monitoring of related party(ies) and related party transactions. None of the transactions with related parties falls under the scope of Section 188(1) of the Companies Act, 2013 ("the Act"). Information on transactions with related parties pursuant to Section 134(3)(h) and 136(1) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, as amended are available for inspection at the registered office of the Company.

The Company's policy for related party transactions regulates the transactions between the Company and its related parties. The policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and related parties. For details on related party transactions, members may refer to the notes to the financial statement.

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## **Board Evaluation**

The Nomination and Remuneration Committee, pursuant to the provisions of the Companies Act, 2013 and the Rules made thereunder ("the Act"), formulated the Policy on Board evaluation, evaluation of Board Committees' functioning and individual Director evaluation. In keeping with DLF's belief that it is the collective effectiveness of the Board that impacts Company performance, the primary evaluation platform is that of collective performance of the Board as a whole. Board performance is assessed against the role and responsibilities of the Board as provided in the Act. The parameters for Board performance evaluation have been derived from the Board's core role of trusteeship to protect and enhance shareholders value as well as to fulfil expectations of other stakeholders through strategic supervision of the Company. Evaluation of functioning of Board Committees is based on discussions amongst Committee members and shared by the respective Committee Chairman. Individual Directors are evaluated in the context of the role played by each Director as a member of the Board at its meetings, in assisting the Board in realizing its role of strategic supervision of the functioning of the Company in pursuit of its purpose and goals.

Based on the above, the Nomination and Remuneration Committee has carried out the annual performance evaluation of the Board, Committees of the Board and individual Directors including Independent Directors.

The Independent Directors of the Board also reviewed the performance of the non-Independent Directors pursuant to Schedule IV of the Act.

## **Risk Management**

The Audit Committee has oversight in the areas of financial risks and control and is also responsible to frame, implement and monitor the risk management plan and ensuring its effectiveness. Risks are identified through a consistently applied methodology. The Company has put in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives.

The Audit Committee also seek independent assurance on specific risks from internal audit or other assurance reviews.

# **DLF PROMENADE LIMITED**

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## **Internal Financial Controls and Systems**

Internal financial controls are integral part of the risk management process addressing amongst others financial and non-financial risks. The internal financial controls have been documented and augmented in the day to day business processes. Assurance on the effectiveness of internal financial controls is obtained through management reviews, self assessment, continuous monitoring by functional experts as well as testing by the Statutory/Internal Auditor during the course of their audits. Significant audit observations and follow up actions thereon are reported to the audit committee.

The Company's internal control system is commensurate with the nature, size and complexities of operations.

## **Significant and material orders passed by regulators or courts**

There are no significant material orders passed by the regulators/ courts which would impact the going concern status of the Company and its future operations.

## **Accolades**

During the financial year under review, "DLF Promenade" has been conferred with the following award:

- **"Sword of Honour 2018"** from **British Safety Council** for excellence in Occupational Health & Safety.

## **Details of Debenture Trustee**

The details of Debenture Trustees are as under:

Axis Trustee Service Limited  
2<sup>nd</sup> Floor, E, Axis House, Bombay Dyeing Mills Compound,  
Pandurang Budhkar Marg, Worli, Mumbai – 400 025.  
**Tel:** 022-24255216; **Fax:** 022-24254200  
**E-mail ID:** [debenturetrustee@axistrustee.com](mailto:debenturetrustee@axistrustee.com)

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## Acknowledgement

Your Directors are thankful to the Stakeholders including Central and State Government authorities, Financial Institutions, Bankers, Suppliers, Clients and tenants for their continued co-operation, support and encouragement during the financial year under review.

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

Date: 03.05.2019  
Place: Gurugram

  
Pushpa Bector  
Director  
DIN:02917318

  
R.P. Punjani  
Director  
DIN: 00050645  
A D



# DLF PROMENADE LIMITED

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## ANNEXURE - 'A'

Particulars required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014:

### A. CONSERVATION OF ENERGY:

(i)	The steps taken or impact on conservation of energy;	Optimization of HVAC equipment's operation in high side as well as low side. Replacement of all common area light fixtures with LED lights.
(ii)	The steps taken by the company for utilizing alternate sources of energy;	Energy derived from 24KW rooftop Solar panels & Green Energy from open access.
(iii)	The capital investment on energy conservation equipments;	₹ 14 Lakhs spent on replacement of all common area light fixtures with LED lights.

### B. TECHNOLOGY ABSORPTION:

(i)	The efforts made towards technology absorption;	NIL
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution;	NIL
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-  (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NIL
(iv)	The expenditure incurred on Research and Development.	NIL

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## C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

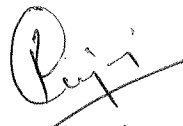
(Amount in ₹)

		2018-19	2017-18
(i)	The Foreign Exchange earned in terms of actual inflows during the financial year; and	Nil	Nil
(ii)	The Foreign Exchange outgo during the financial year in terms of actual outflows.	74,198/-	1,21,040/-

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

Date: 03.05.2019  
Place: Gurugram

  
Pushpa Bector  
Director  
DIN:02917318

  
R.P. Punjani  
Director  
DIN: 00050645

# DLF PROMENADE LIMITED

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Tel No.: 0124-4778121, Email: [dlfpromenade@dlf.in](mailto:dlfpromenade@dlf.in)

Annexure - B

## Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

Sl. No	Particulars	Remarks
1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programs	<p>DLF Promenade Limited has formulated its CSR Activities to integrate economic, environmental and social objectives with its operations and growth for common good as per Schedule VII of the Companies Act, 2013 and any amendments or modifications made thereto.</p> <p>Weblink to the CSR Policy is : <a href="http://dlfpromenade.com/investor-policies.asp">http://dlfpromenade.com/investor-policies.asp</a></p> <p>Copy of the CSR Policy is available for inspection by the members during business hours on any working day at the registered office of the company and will also be available at the meeting.</p>
2	The Composition of the CSR Committee	<p>1) Mr. Surinder Singh Chawla (Chairman)</p> <p>2) Ms. Pushpa Bector (Member)</p> <p>3) Mr. R.P. Punjani (Member)</p>
3	Average net profit of the company for last three financial years	Rs. 17.15 Crores
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Rs. 0.34 Crores
5	Details of CSR spent during the financial year:  a) Total amount to be spent for the financial year: b) Amount unspent, If any: c) Manner in which the amount spent during the financial year is detailed below:	<p>Rs. 0.34 Crores</p> <p>Nil</p> <p>As detailed below:</p>

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(₹ in Lakh)

## DETAILS OF EXPENDITURE

Sl. No	Program me Name	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1)Local area or other (2)Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) project or programs wise	Amount spent on the projects or programs		Cumulative Expenditure up to the reporting period	Amount spent: Direct or through implementing agency	Reasons for not spending the allotted budget
						Direct expenditure on projects or programmes	Overheads			
1	Healthcare	Running Primary Health Centres & Mobile Clinics	Healthcare	Noida (U.P.)	7.98	6.7	0.34	7.04	Lal Chand Public Charitable Trust	Refer Note 1
2	Environment Sustainability	Environment preservation through adoption of two parks	Environment	Greater Kailash -1, New Delhi	26.32	0.00	0.00	0.00	Mahavir Ji Trust	Refer Note 2
<b>Total</b>					<b>34.30</b>	<b>6.70</b>	<b>0.34</b>	<b>#7.04</b>		

# Total unspent amount of ₹ 27.26 lakhs at the end of FY 2018-19 lying unspent with Lal Chand Public Charitable Trust and Mahavir Ji Trust which shall be incurred by them during the FY 2019-20 and shall be monitored by the CSR Committee in terms of CSR Policy of the Company.

CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

### Note 1


The expenditure on medicine purchased was lower than the budget. Further, as the project was to run only till 30<sup>th</sup> June 2018, thus there was no necessity of keeping reserve medicine stock resulting in lower quantity of purchase of medicine.

### Note 2

The Project namely "Preservation of environment through adoption of two parks at Greater Kailash -1, New Delhi" has got delayed on the account of delay in execution of documents with the Local Body i.e. South Delhi Municipal Corporation (SDMC). The Trustees of Mahavir Ji Trust had duly applied for adoption of parks on which the Chairman of Standing Committee, SDMC has directed the Horticulture Department to complete the necessary documentation i.e. MOU etc. It is expected that execution of all new MOU's with third parties shall be resumed by the end of May 2019.

  
Siddhartha Natu  
Manager

  
Pushpa Bector  
Director  
DIN: 02917318

  
Surinder Singh Chawla  
Chairman, CSR Committee  
DIN: 00102064

**AS & ASSOCIATES**  
COMPANY SECRETARIES

Office: 215, Sunija Tower-II, District Centre, Anand Park, New Delhi-110058.  
Tel: +91 9810135408  
Email: anilsetia\_cs@rediffmail.com

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31/03/2019**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies**  
**(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
M/s DLF Promenade Limited  
(CIN:U74920HR1999PLC034138)  
Shopping Mall, Phase- 1, DLF City, Gurugram,  
Haryana-122002.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DLF Promenade Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **DLF Promenade Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable)
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not Applicable)
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable)

**DLF Promenade Limited -31.03.2019**



**AS & ASSOCIATES**  
COMPANY SECRETARIES

Office: 215, Soneja Tower-II, District Centre, Janak Puri, New Delhi-110058.

Tel. +91-9810135408

E-mail: aniketia\_cs@rediffmail.com

- (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulation, 2014; (Not Applicable)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and (Not Applicable)
  - (i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended;
- (vi) The Company has constructed a shopping mall-cum entertainment complex named DLF Promenade at Vasant Kunj, New Delhi and further leased out to various tenants. As informed by the management, there is no sector specific law applicable to the Company;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited (BSE);

There was no activity to be reported under the SCRA, Depositories Act, FEMA and the rules made thereunder. Only debt securities of the Company are listed on BSE as such, provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 are not applicable per se. Further as confirmed by the management, no such listed securities of the Company were held and / or traded by any insider of the Company during the period under review.

During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director as applicable. During the period under review, no changes took place in the composition of the Board of Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

DLF Promenade Limited -31.03.2019



**AS & ASSOCIATES**  
COMPANY SECRETARIES

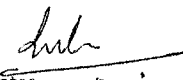
Office: 215, Suneja Tower-II, District Centre, Janak Puri, New Delhi-110058.  
Tel.: 91-9830135408  
Email: anilsetia\_cs@rediffmail.com

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no instances of:

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.,
- (ii) Redemption / buy-back of securities,
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013,
- (iv) Merger / amalgamation / reconstruction, etc., and
- (v) Foreign technical collaborations.

Place: New Delhi  
Date: 3<sup>rd</sup> May 2019

Signature:   
For AS& Associates  
Company Secretaries  
(Anil Setia)  
Prop.  
FCS No.: 2856  
C P No.: 4956



<b>FORM NO. MGT 9</b>
<b>EXTRACT OF ANNUAL RETURN</b>
<b>as on financial year ended on 31.03.2019</b>
<b>Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management &amp; Administration) Rules, 2014.</b>

**I REGISTRATION & OTHER DETAILS:**

i	CIN	U74920HR1999PLC034138
ii	Registration Date	02.02.1999
iii	Name of the Company	DLF PROMENADE LIMITED
iv	Category/Sub-category of the Company	Public Company, Limited by Shares
v	Address of the Registered office & contact details	Shopping Mall, Phase - 1, DLF City, Gurugram - 122 002, Haryana. Tel No.: 0124-4778121, Contact Details : 0124-4778101/8121 E- mail ID: punjani-rp@dlf.in
vi	Whether listed company	Yes (Debentures are listed with BSE)
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	For Debentures: Kary Computershare Private Limited Kary Selenium Tower B, Plot no. 31&32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032 Contact Person- Mr. Varghese P.A.: 040-67162222.  For Equity : Alankit Assignments Limited 'Alankit House' 2E/21, Jhandewalan Extension, New Delhi - 110055. Contact Person- Mr. J.K. Singla : 011-42541960

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Real Estate Activities	681 - Real Estate activities with own or lease properties	100

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

SI No.	NAME & ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF VOTING RIGHTS	APPLICABLE SECTION
1	DLF Cyber City Developers Limited Regd. office: 10th Floor, Gateway Tower, DLF City, Phase-III, Gurugram, Haryana -122002	U45201HR2006PLC036074	Holding	100.00%	Sec 2(46)
2	DLF Limited, Regd. Office: Shopping Mall, 3rd Floor, Arjun Marg, Phase I, DLF City, Gurugram, Haryana -122002.	L70101HR1963PLC002484	Holding	-	Sec 2(46)
3	Rajdhani Investments & Agencies Private Limited, Regd. Office: MC Shah House, 1/B, FF, Avantika Society, Nr.Naranpura Railway Crossing, Naranpura, Ahmedabad-380013.	U65993GJ1972PTC097502	Ultimate Holding	-	Sec 2(46)



IV  
SHAREHOLDING PATTERN (Equity Share capital Break up as % of total Equity)

(I) Category - wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporates	65,21,500	-	65,21,500	100.00	65,21,500	-	65,21,500	100.00	0
e) Bank/Fl	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL: (A) (1)</b>	65,21,500	-	65,21,500	100.00	65,21,500	-	65,21,500	100.00	0
<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/Fl	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	0	0	0	0	0	0	0	0	0
<b>Total Shareholding of Promoter</b>									
<b>(A)= (A)(1)+(A)(2)</b>	65,21,500	-	65,21,500	100.00	65,21,500	-	65,21,500	100.00	0
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/Fl	-	-	-	-	-	-	-	-	-
c) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Fls	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	0	0	0	0	0	0	0	0	0
<b>(2) Non Institutions</b>									
a) Bodies Corporates	-	-	-	-	-	-	-	-	0
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(2):</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding</b>									
<b>(B)= (B)(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	65,21,500	-	65,21,500	100	65,21,500	-	65,21,500	100	0

**(II) SHARE HOLDING OF PROMOTERS**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	DLF Cyber City Developers Limited (along with its six nominees)	65,21,500	100.00	100.00	65,21,500	100.00	100.00	-
	<b>Total</b>	<b>65,21,500</b>	<b>100.00</b>	<b>100.00</b>	<b>65,21,500</b>	<b>100.00</b>	<b>100.00</b>	<b>-</b>

**(III) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)**

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year	65,21,500	100.00	65,21,500	100.00
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
2	At the end of the year	-	-	65,21,500	100.00

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	NIL	NIL	NIL	NIL
2	At the end of the year	NIL	NIL	NIL	NIL

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)	Nil	Nil	Nil	Nil
2	At the end of the year	Nil	Nil	Nil	Nil

## V. INDEBTEDNESS

(Amount in ₹)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3,75,00,00,000	65,66,00,001		4,40,66,00,001
ii) Interest due but not paid				
iii) Interest accrued but not due	1,34,38,358	7,69,44,735		9,03,83,093
<b>Total (i+ii+iii)</b>	<b>3,76,34,38,358</b>	<b>73,35,44,736</b>		<b>4,49,69,83,094</b>
<b>Change in Indebtedness during the financial year</b>				
Addition		5,18,87,499		5,18,87,499
Reduction		(46,07,50,138)		-46,07,50,138
<b>Net Change</b>		<b>(40,88,62,638)</b>		<b>-40,88,62,638</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3,75,00,00,000	27,43,00,000		4,02,43,00,000
ii) Interest due but not paid				
iii) Interest accrued but not due	1,34,38,358	5,03,82,098		6,38,20,456
<b>Total (i+ii+iii)</b>	<b>3,76,34,38,358</b>	<b>32,46,82,098</b>		<b>4,08,81,20,456</b>

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole time director and/or Manager : NIL

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
1	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	-	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as% of profit - others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	-	-	-	-
	<b>Ceiling as per the Act</b>	-	-	-	-

**B. Remuneration to other directors:**

(Amount in ₹)

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	-	Mr. Santosh Kumar Garg	Mr. Surinder Singh Chawla	-
	(a) Fee for attending board/ committee meetings	-	2,20,000	2,00,000	4,20,000
	(b) Commission	-	-	-	-
	(c ) Others, please specify	-	-	-	-
	<b>Total (1)</b>	-	<b>2,20,000</b>	<b>2,00,000</b>	<b>4,20,000</b>
2	Other Non Executive Directors	Mr. Raj Kumar Jain (Nominee Director)	-	-	-
	(a) Fee for attending board /committee meetings	1,00,000	-	-	-
	(b) Commission	-	-	-	-
	(c ) Others, please specify.	-	-	-	-
	<b>Total (2)</b>	<b>1,00,000</b>	-	-	<b>1,00,000</b>
	<b>Total (B)=(1+2)</b>				<b>5,20,000</b>
	<b>Total Managerial Remuneration</b>	-	-	-	-
	<b>Overall Ceiling as per the Act.</b>	-	-	-	-

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: NIL**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
1	Gross Salary	CEO	Company Secretary	CFO	Total
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as% of profit	-	-	-	-
	others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	-	-	-	-

VII **PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

Date: 03.05.2019  
Place: Gurugram

  
Pushpa Bector  
Director  
DIN- 02917318

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

  
R.P. Punjani  
Director  
DIN-00050645

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of DLF Promenade Limited

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

#### **Opinion**

We have audited the accompanying Ind AS financial statements of DLF Promenade Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, 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, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the 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.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.



Key audit matters	How our audit addressed the key audit matter
<b>1. Related Party Transactions</b> <i>(as described in note 40 of the Ind AS financial statements)</i>	
<p>The Company has undertaken a number of transactions with its related parties in the normal course of business. These transactions include Rental Income, Service Income, Interest Expense, Electricity/ HVAC Expenses, Facility &amp; Repair and Maintenance Expenses, Recovery of Property tax, Business Support Services Expenses, Advertisement Expenses, Bank Guarantee Charges and CSR Expenses.</p> <p>We identified the said related party transactions and its disclosure as set out in respective notes to the financial statements as a key audit matter due to the significance of transactions with related parties during the year ended March 31, 2019.</p>	<p>As part of our audit procedures, our procedures included the following:</p> <ul style="list-style-type: none"> <li>- We have obtained and read the Company's policies, processes and procedures in respect of identifying related parties; approval and recording of related party transactions including how management determines all transactions/ balances with related parties to be at arm's length and entered into in the normal course of business and disclosed in the Ind AS financial statements.</li> <li>- We tested, on a sample basis, related party transactions with the underlying contracts and other documents and for authorization and approval for such transactions.</li> <li>- We read minutes of shareholder meetings, board meetings and minutes of meetings of those charged with governance in connection with transaction with related parties effected during the year.</li> <li>- We have agreed the amounts disclosed to underlying documentation and relevant agreements, on a sample basis.</li> <li>- We have evaluated the disclosures in the financial statements through reading/ testing of statutory information, books and records and other documents obtained during the course of our audit.</li> </ul>
<b>2. Accounting for lease rental income</b> <i>(as described in note 2(c) &amp; note 20 of the Ind AS financial statements)</i>	
<p>Lease Rental Income amounted to INR 10,338.04 lacs for the year ended March 31, 2019. Lease rental income is recognized net of discount, in accordance with the terms of lease agreements with the tenants on the basis of Revenue Share or Minimum Guaranteed Rentals, whichever is higher. There are a few lease arrangements where the revenue recognition is based on purely Revenue Share or Fixed Rentals as per the respective lease agreements. There is an inherent risk around the accuracy of the revenue recorded due to manual calculation of lease rental income from Revenue Share which forms significant part of the revenue.</p> <p>We identified the same as a key audit matter because there is an inherent risk around the accuracy of the revenue recorded and impact of the terms of lease agreements to the revenue recognition.</p>	<p>As part of our audit procedures, our procedures included the following:</p> <ul style="list-style-type: none"> <li>- Our audit procedures included reading and assessing the Company revenue recognition accounting policies and assessing compliance with the policies in terms of IND AS 17 Leases.</li> <li>- We performed tests of details, on a sample basis. We read the terms contained in the contracts entered into with the tenants to assess whether lease rental income recorded is as per the contract terms and also to identify any non-standard lease clauses and to assess the rental income accounting.</li> <li>- Regarding lease rental income from Revenue Share, we agreed the underlying working to the data of monthly Store Sales provided by the tenants, on sample basis.</li> <li>- We matched the data used in the revenue recognition to the approved lease agreements with the tenants on sample basis.</li> </ul>



Key audit matters	How our audit addressed the key audit matter
<b>3. Assessing the carrying value of Investment property</b> <i>(as described in note 2(f) &amp; note 4 of the Ind AS financial statements)</i>	
<p>As at March 31, 2019, the carrying value of the Investment Property (primarily a retail mall) is INR 51,640.68 lacs which is located in Vasant Kunj, Delhi.</p> <p>Further, the carrying value of Investment property is assessed by the management, as at year end, to identify whether there is an indication that an asset may be impaired.</p> <p>We considered the valuation of Investment Property a key audit matter given the significant estimates and judgment involved in impairment assessment.</p>	<p>Our procedures in assessing the management's judgement for the impairment assessment included, among others, the following:</p> <ul style="list-style-type: none"> <li>- We obtained and read the valuation report from an expert valuer used by the management for determining the fair value ('recoverable amount') of the investment property.</li> <li>- We considered the independence, competence and objectivity of the management expert involved in determination of valuation.</li> <li>- We assessed the Company's valuation methodology applied and compared key property related data used as input by the valuer with the books of accounts.</li> <li>- We compared the fair value as mentioned in the valuation report to the carrying value of the Investment property.</li> <li>- Made inquiries with management to understand key drivers of the cash flow forecasts like discount rates, capitalization rates, expected growth rates and terminal growth rates used and assessed the impact of sensitivity on key drivers on the fair valuation.</li> <li>- We also assessed the disclosure on the Investment properties in Note 4 to the financial statements.</li> </ul>

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors 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.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting





policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

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

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

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

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



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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books ;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account ;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) The Company has not paid or provided for any managerial remuneration. Accordingly provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019;
  - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;



# **S.R. BATLIBOI & Co. LLP**

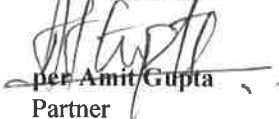
Chartered Accountants

- (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 has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 34 to the Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

Firm Registration Number: 301003E/E300005

  
per Amit Gupta

Partner

Membership Number: 501396

Place: Gurugram

Date: May 03, 2019



**Annexure 1 referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirement' section of our report of even date**

**Re: DLF Promenade Limited ("the Company")**

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets comprising of property plant and equipment and investment property, except for buildings capitalized under Investment property, where fixed assets register is currently under updation to include its complete component wise quantitative details and situations thereof.
- b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- c) According to the information and explanations given by the management, the title deeds of immovable properties included in investment property are held in the name of the company.
- ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provision of Section 185 and Section 186 of the Companies Act 2013 are applicable and hence not commented upon.
- v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi) To the best of our knowledge and as explained, the Central Government has not specified maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the product/services of the Company.
- vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, sales-tax, service tax, value added tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to employees' state insurance, provident fund, duty of custom and duty of excise are not applicable to the Company.



(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, sales-tax, service tax, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, provident fund, duty of excise and duty of custom are not applicable to the Company.

(c) According to the records of the Company, the dues outstanding of service tax on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (INR in lacs)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	692.00	Financial Year 2007-08 to 2011-12	Custom, Excise and Service Tax Appellate Tribunal, Delhi

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to debenture holders. The Company did not have any loans or borrowing in respect of a dues to financial institutions, banks or to government during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause 3 (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) The company has not paid or provided for any managerial remuneration. Accordingly reporting requirements under clause 3(xi) of the Order are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Chartered Accountants

Firm Registration Number: 301003E/E300005

  
per Amit Gupta

Partner

Membership Number: 501396



Place: Gurugram

Date: May 03, 2019



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

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

We have audited the internal financial controls over financial reporting of DLF Promenade Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls Over Financial Reporting with reference to these Ind AS Financial Statements**

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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Ind AS Financial Statements**

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 with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

Firm Registration Number: 301003E/E300005



per **Amit Gupta**

Partner

Membership Number: 501396



Place: Gurugram

Date: May 03, 2019



**DLF Promenade Limited**  
**Balance Sheet as at March 31, 2019**  
*(All amounts in ₹ lacs, unless otherwise stated)*

	Notes	March 31, 2019	March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	15.18	11.04
Investment property	4	51,640.68	52,559.03
Financial assets			
Other financial assets	5	69.99	1,388.83
Deferred tax assets (net)	6	1,648.51	1,756.94
Non current tax assets (net)	7	1,875.29	1,561.52
Other non current assets	8	3.99	36.31
		<u>55,253.64</u>	<u>57,313.67</u>
<b>Current assets</b>			
Financial assets			
Trade receivables	9	966.55	814.04
Cash and cash equivalents	10	645.49	678.07
Other bank balances	11	250.62	710.17
Other financial assets	5	1,419.11	10.82
Other current assets	8	123.45	223.80
		<u>3,405.22</u>	<u>2,436.90</u>
<b>TOTAL ASSETS</b>		<u><b>58,658.86</b></u>	<u><b>59,750.57</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	12	652.15	652.15
Other equity	13	11,027.07	8,656.59
<b>Total equity</b>		<u><b>11,679.22</b></u>	<u><b>9,308.74</b></u>
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	14	-	36,878.25
Other financial liabilities	15	2,449.83	1,968.94
Deferred revenue	16	1,083.29	812.22
		<u><b>3,533.12</b></u>	<u><b>39,659.41</b></u>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	14	2,743.00	6,566.00
Trade payables	17		
Total outstanding dues of micro enterprises and small enterprises		11.78	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		797.39	1,225.32
Other financial liabilities	18	39,362.50	2,520.59
Deferred revenue	16	310.30	270.12
Other current liabilities	19	221.55	200.39
		<u><b>43,446.52</b></u>	<u><b>10,782.42</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>58,658.86</b></u>	<u><b>59,750.57</b></u>

Summary of significant accounting policies

2

The accompanying notes forms an integral part of these financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAA Firm's Registration No : 3010031/ F3000005

*Amit Gupta*  
per Amit Gupta  
Partner

Membership Number: 501396



*Pushpa Bector*  
Pushpa Bector

Director

DIN - 02917318

*Gurpreet Singh*  
Gurpreet Singh

Chief Financial Officer

For and on behalf of the board of directors of

DLF Promenade Limited

*R.P. Punjani*  
R.P. Punjani  
Director

DIN - 00050645

*Siddhartha Natu*  
Siddhartha Natu  
Manager

*Manoj Kumar Dua*  
Manoj Kumar Dua

Company Secretary

M. No. A12025

Place: Gurugram

Date : May 3, 2019

Place : Gurugram

Date : May 3, 2019



**DLF Promenade Limited**

**Statement of Profit and Loss for the year ended March 31, 2019**

*(All amounts in ₹ lacs, unless otherwise stated)*

	Notes	March 31, 2019	March 31, 2018
<b>Revenue</b>			
Revenue			
Revenue from operations	20	15,208.18	14,478.42
Other income	21	220.75	368.72
<b>Total income</b>		<b>15,428.93</b>	<b>14,847.14</b>
<b>Expenses</b>			
Finance costs	22	5,399.40	5,616.74
Depreciation expense	23	1,177.01	1,169.47
Other expenses	24	5,684.09	5,342.07
<b>Total expenses</b>		<b>12,260.50</b>	<b>12,128.28</b>
<b>Profit before exceptional items and tax</b>		<b>3,168.43</b>	<b>2,718.86</b>
Exceptional items (refer note 39)		-	(3,704.48)
<b>Profit/(loss) before tax</b>		<b>3,168.43</b>	<b>(985.62)</b>
<b>Tax expense:</b>	25		
Current tax		689.52	134.39
Minimum alternate tax credit entitlement		(583.81)	-
Deferred tax		692.24	1,119.72
<b>Profit/(loss) after tax</b>		<b>2,370.48</b>	<b>(2,239.73)</b>
<b>Other comprehensive income</b>	26		
i) Items that will not be reclassified to profit or loss			
Fair valuation gain/(loss) on investment in equity instrument		-	(17.83)
ii) Income tax relating to items that will not be reclassified to profit or loss		-	4.13
<b>Total comprehensive income for the year</b>		<b>2,370.48</b>	<b>(2,253.43)</b>
<b>Earnings/(loss) per equity share</b>	27		
Basic (₹)		36.35	(34.34)
Diluted (₹)		36.35	(34.34)

**Summary of significant accounting policies**

The accompanying notes forms an integral part of these financial statements.

As per our report of even date

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

Chartered Accountants

ICAI Firm's Registration No.: 301003E/ E300005

*[Signature]*  
per Amit Gupta  
Partner

Membership Number: 501396



*[Signature]*  
Puslpa Bector  
Director

DIN - 02917318

*[Signature]*  
Gurpreet Singh  
Chief Financial Officer

**For and on behalf of the board of directors of  
DLF Promenade Limited**

*[Signature]*  
R.P. Punjani  
Director

DIN - 00050645

*[Signature]*  
Manoj Kumar Dua  
Company Secretary  
M. No. A12025

*[Signature]*  
Siddhartha Natu  
Manager

Place : Gurugram

Date : May 3, 2019

Place : Gurugram

Date : May 3, 2019



**DLF Promenade Limited**
**Statement of Cash Flow for the year ended March 31, 2019**
*(All amounts in ₹ lacs, unless otherwise stated)*

	March 31, 2019	March 31, 2018
<b>A- Cash flow from operating activities</b>		
Net profit/(loss) before tax	3,168.43	(985.62)
Adjustment for :		
Interest expense	5,119.85	5,261.38
Interest income	(169.00)	(176.15)
Amount forfeited on properties	(0.68)	-
Loss on sale of Investment	-	3,704.48
Unclaimed balance written back	(0.40)	(2.29)
Provision for doubtful debts	-	16.69
Depreciation expense	1,177.01	1,169.47
Financial liability measured at amortised cost (net)	(24.82)	(48.90)
Loss on pre settlement of financial liability	10.44	8.15
<b>Operating profit before working capital changes</b>	<b>9,280.83</b>	<b>8,947.21</b>
Adjustment for change in working capital:		
Decrease/(increase) in trade receivables	(152.51)	100.15
Decrease/(increase) in financial assets and other current assets	132.67	(28.51)
Increase/(decrease) in trade payables	(416.15)	262.36
Increase/(decrease) in financial liabilities and other current liabilities	561.96	165.12
<b>Cash flow from operations</b>	<b>9,406.80</b>	<b>9,446.33</b>
Income tax paid (net of refunds)	(1,003.29)	433.34
<b>Net cash flow from operating activities</b>	<b>8,403.51</b>	<b>9,879.67</b>
<b>B. Cash flow from investing activities</b>		
Interest received	146.05	168.93
(Investment in)/proceeds from other bank balances	459.55	(230.86)
(Investment in)/proceeds from fixed deposits (net)	(66.50)	(67.01)
Purchase of fixed assets (including capital work in progress & capital creditors)	(222.54)	(47.99)
Proceeds from sale of investments	-	94.53
Payment on sale of investment (refer note 39)	-	(3,775.67)
<b>Net cash flow from/ (used in) investing activities</b>	<b>316.56</b>	<b>(3,858.07)</b>
<b>C. Cash flow from financing activities</b>		
Interest paid	(4,929.65)	(5,397.42)
Receipt of loans from related parties	-	3,800.00
Repayment of loans to related parties	(3,823.00)	(4,570.00)
<b>Net cash used in financing activities</b>	<b>(8,752.65)</b>	<b>(6,167.42)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(32.58)</b>	<b>(145.82)</b>
Cash and cash equivalents at the beginning of the year	678.07	823.89
Cash and cash equivalents at the end of the year (Refer note 10)	<b>645.49</b>	<b>678.07</b>

**The accompanying notes forms an integral part of these financial statements**
**As per our report of even date**
**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm's Registration No.: 3010031/ E300005



Partner


Membership Number: 501396



**Puspita Bector**

Director

DIN - 02917318


**Gurpreet Singh**

Chief Financial Officer

**For and on behalf of the board of directors of  
DLF Promenade Limited**

**R.P. Punjani**

Director

DIN - 00050645


**Manoj Kumar Dua**

Company Secretary

M. No. A12025


**Siddhartha Natu**

Manager

Place: Gurugram

Date: May 03, 2019

Place: Gurugram

Date: May 03, 2019




**DLF Promenade Limited**  
**Statement of Changes in Equity for the year ended March 31, 2019**  
*(All amounts in ₹ lacs, unless otherwise stated)*

**A Equity share capital**

Particulars	Balance as at April 1, 2017	Change during the year	Balance as at March 31, 2018	Change during the year	Balance as at March 31, 2019
Equity share capital	652.15	-	652.15	-	652.15

**B Other equity**

Particulars	Reserves and surplus			Other comprehensive income - reserve	Total Other equity
	Securities premium	Retained earnings	Debenture redemption reserve	FVTOCI reserve	
Balance as at April 1, 2017	14,323.75	(4,479.91)	1,052.48	13.70	10,910.02
Loss for the year	-	(2,239.73)	-	-	(2,239.73)
Change in other comprehensive income*	-	-	-	(13.70)	(13.70)
Transfer (from)/to retained earnings	-	-	-	-	-
Balance as at March 31, 2018	14,323.75	(6,719.64)	1,052.48	-	8,656.59
Profit for the year	-	2,370.48	-	-	2,370.48
Change in other comprehensive income	-	-	-	-	-
Transfer (from)/to retained earnings (refer note 42)	-	(2,370.48)	2,370.48	-	-
Balance as at March 31, 2019	14,323.75	(6,719.64)	3,422.96	-	11,027.07

\* refer note 26

The accompanying notes forms an integral part of these financial statements

As per our report of even date

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

  
per Amit Gupta  
Partner


Membership Number: 501396




For and on behalf of the board of directors of  
DLF Promenade Limited

  
Pushpa Bector  
Director  
DIN - 02917318

  
Gurpreet Singh  
Chief Financial Officer

  
R.P. Punjani  
Director  
DIN - 00050645

  
Manoj Kumar Dua  
Company Secretary  
M. No. A12025

  
Siddhartha Natu  
Manager

Place: Gurugram  
Date : May 3, 2019

Place: Gurugram  
Date : May 3, 2019



**1. Corporate information**

**Nature of principal activities**

DLF Promenade Limited ("the Company") is a company domiciled in India and has its registered office in Gurgaon. The Company was incorporated on February 02, 1999 under the provisions of Indian Companies Act. The Company has constructed a Shopping mall-cum-entertainment complex named as DLF Promenade, at Vasant Kunj, consisting of shops, commercial spaces, entertainment centre including but not limited to eateries, convention hall, indoor games court, food court, restaurants etc. and basement for parking and other spaces etc. The Company is engaged in the business of leasing and maintenance of shopping mall.

The financial statements for the year ended March 31, 2019 are approved for issue by the Board of Directors on May 03, 2019.

**2. Summary of significant accounting policies**

**a) Basis of preparation**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 (the 'Act'), read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

The financial statements have been prepared on 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 financial statements have been presented in Indian Rupees (₹) and all values have been rounded to the nearest lacs, except when otherwise indicated. Fair valuations related to financial assets and financial liabilities are categorised into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable.

**b) Current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Companies Act 2013. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

**c) Revenue from contracts with customers and other streams of revenue**

Revenue comprises the consideration received or receivable for providing retail spaces on operating lease, rendering of maintenance service and other income in the ordinary course of the Company's activities. Revenue is presented, net of taxes, rebates and discounts (if any).

*Revenue is recognized as follows:*

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

- i) Rental income is recognised on a straight-line basis over the term of the lease, except for contingent rental income which is recognised when it arises and where scheduled increase in rent compensates the lessor for expected inflationary costs. Parking income and fit out rental income is recognised in statement of profit and loss on accrual basis.
- ii) Revenue in respect of maintenance services is recognised over time, in accordance with the terms of the respective contract.
- iii) Advertisement/promotional income is recognised on accrual basis in accordance with the terms of the agreement.
- iv) Parking income includes revenue earned from the operations of the parking facilities, which is recognised when the services are rendered.





**Contract balances****Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. The same has been included under the head “unbilled receivables” in the financial statements.

**Trade receivables**

A receivable represents the Company’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. The same has been included under the head “advance from customers” in the financial statements.

**d) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption. All other borrowing costs are charged to the statement of profit and loss as incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**e) Property, plant and equipment***Recognition and initial measurement*

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

*Subsequent measurement (depreciation and useful lives)*

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013:

Asset category	Estimated useful life (in years)
Furniture and fixtures	10
Office equipments	5

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.



## DLF Promenade Limited

### Notes to the financial statement for the year ended March 31, 2019

(All amount in ₹ lacs, unless otherwise stated)

#### De-recognition

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

#### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2015 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

## f) Investment property

#### Recognition and initial measurement

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

#### Capital work-in-progress

Capital work-in-progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes related acquisition expenses, development/ construction costs, borrowing costs and other direct expenditure.

#### Subsequent measurement (depreciation and useful lives)

Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013:

Asset category	Estimated useful life (in years)
Buildings	60
Plant and equipments	15

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### De-recognition

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit or loss in the period of de-recognition.

#### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Investment property recognised as at April 1, 2015 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of investment property.

## g) Foreign currencies

#### Functional and presentation currency

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



## DLF Promenade Limited

### Notes to the financial statement for the year ended March 31, 2019

(All amount in ₹ lacs, unless otherwise stated)

#### *Transactions and balances*

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

Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

Exchange differences arising on such conversion and settlement at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

#### **h) Operating leases**

##### **Company as a lessee**

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straightline basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

##### **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. The respective leased assets are included in the balance sheet based on their nature. Rental income is recognized on straightline basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

#### **i) 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. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. 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.

#### **j) Financial instruments**

##### *Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

##### **Non-derivative financial assets**

###### *Subsequent measurement*

**i. Financial assets at amortised cost** – the financial assets is measured at the amortised cost if both the following conditions are met:

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

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





- ii. **Equity investments** – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

*De-recognition of financial assets*

A financial asset is primarily de-recognised 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.

**Financial liabilities**

*Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

*Subsequent measurement*

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

*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.

**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) 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.

*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.



**DLF Promenade Limited****Notes to the financial statement for the year ended March 31, 2019***(All amount in ₹ lacs, unless otherwise stated)**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

**1) Taxes on Income.**

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**

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate

**Deferred tax**

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. 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 statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

Unused tax credit (Minimum alternate tax ('MAT') credit entitlement) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which such credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as unused tax credit. The Company reviews the same at each balance sheet date and writes down the carrying amount of unused tax credit to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.



**Goods & Services Tax (GST)/ Service Tax paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the amount of GST/Service Tax paid, except:

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

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

**m) Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, demand deposits with banks/corporations and short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

**n) Provisions, contingent assets and contingent liabilities**

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

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

Contingent assets are not recognized. However, when inflow of economic benefits is probable, related asset is disclosed.

**o) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events including a bonus issue.

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 year are adjusted for the effects of all dilutive potential equity shares.

**p) Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying 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*

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

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

**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.

**Recoverability of advances/receivables** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

**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 warranties and guarantees. However the actual future outcome may be different from this judgement.

*Significant estimates*

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

**Fair value measurements** – 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.

**Valuation of investment property** – Investment property is stated at cost. However, as per Ind AS 40 Investment property there is a requirement to disclose fair value as at the balance sheet date. The Company engaged independent valuation specialists to determine the fair value of its investment property as at reporting date.

The determination of the fair value of investment properties requires the use of estimates such as future cash flows from the assets (such as lettings, future revenue streams, capital values of fixtures and fittings, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. In addition, development risks (such as construction and letting risk) are also taken into consideration when determining the fair value of the properties under construction. These estimates are based on local market conditions existing at the balance sheet date.

## **2.1 Changes in accounting policies and disclosures**

### **New and amended standards**

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time during the current year, 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.





**a) Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was issued on March 28, 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption. The application of the Standard did not have any impact on the retained earnings as at April 1, 2018 or on the profit of the current year.

**b) Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations**

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's financial statements.

**c) Amendments to Ind AS 40 Transfers of Investment Property**

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

These amendments do not have any impact on the Company's financial statements.

**d) Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments do not have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

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**DLF Promenade Limited**

Notes to the financial statements for the year ended March 31, 2019

(All amounts in ₹ lacs, unless otherwise stated)

**3 Property, plant and equipment**

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2019 and March 31, 2018 are as follows:

	Furniture and fixtures	Office equipments	Total
<b>Gross block</b>			
As at April 1, 2017	23.88	15.15	39.03
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2018	<u>23.88</u>	<u>15.15</u>	<u>39.03</u>
Additions	8.46	-	8.46
Disposals	-	-	-
As at March 31, 2019	<u>32.34</u>	<u>15.15</u>	<u>47.49</u>
<b>Accumulated depreciation</b>			
As at April 1, 2017	8.58	15.15	23.73
Charge for the year	4.26	-	4.26
Disposals	-	-	-
As at March 31, 2018	<u>12.84</u>	<u>15.15</u>	<u>27.99</u>
Charge for the year	4.32	-	4.32
Disposals	-	-	-
As at March 31, 2019	<u>17.16</u>	<u>15.15</u>	<u>32.31</u>
<b>Net block</b>			
As at March 31, 2018	11.04	-	11.04
As at March 31, 2019	15.18	-	15.18

**(i) Contractual obligations**

The Company does not have any contractual commitments for the acquisition of property, plant and equipment as at March 31, 2019 and March 31, 2018.

**(ii) Capitalised borrowing cost**

The Company has not capitalised any borrowing cost during the year ended March 31, 2019 and the year ended March 31, 2018.

**(iii) Deemed cost of property, plant and equipment (represents deemed cost on the date of transition to Ind AS i.e. on April 1, 2015)**

Description	Gross block	Accumulated depreciation	Net block
Furniture and fixtures	41.63	17.75	23.88
Office equipments	29.06	13.91	15.15
Total	70.69	31.66	39.03



**4 Investment property**

	Freehold land	Buildings	Plant and equipments	Capital Work in Progress	Total
<b>Gross block</b>					
As at April 1, 2017	27,817.79	21,277.60	6,889.29	-	55,984.68
Additions	-	-	49.86	14.06	63.92
Disposals/adjustment	-	-	-	-	-
As at March 31, 2018	27,817.79	21,277.60	6,939.15	14.06	56,048.60
Additions	-	7.30	114.67	146.43	268.40
Disposals/adjustment	-	-	-	(14.06)	(14.06)
As at March 31, 2019	27,817.79	21,284.90	7,053.82	146.43	56,302.94
<b>Accumulated depreciation</b>					
As at April 1, 2017	-	787.10	1,537.26	-	2,324.36
Charge for the year	-	393.21	772.00	-	1,165.21
Disposals/adjustment	-	-	-	-	-
As at March 31, 2018	-	1,180.31	2,309.26	-	3,489.57
Charge for the year	-	393.21	779.48	-	1,172.69
Disposals/adjustment	-	-	-	-	-
As at March 31, 2019	-	1,573.52	3,088.74	-	4,662.26
<b>Net block</b>					
As at March 31, 2018	27,817.79	20,097.29	4,629.89	14.06	52,559.03
As at March 31, 2019	27,817.79	19,711.38	3,965.08	146.43	51,640.68

**(i) Contractual obligations**

The Company does not have any contractual commitments for the acquisition of investment property as at March 31, 2019 and March 31, 2018 other than as mentioned in note 37.

**(ii) Capitalised borrowing cost**

The Company has not capitalised any borrowing cost during the year ended March 31, 2019 and March 31, 2018.

**(iii) Investment property pledged as security**

Refer note 14 for information on investment properties pledged as security by the Company.

**(iv) Amount recognised in profit and loss for Investment property.**

	March 31, 2019	March 31, 2018
Rental income	10,338.04	10,030.79
Direct operating expenses that generated rental income	(776.28)	(727.89)
Direct operating expenses that did not generated rental income	-	-
<b>Profit from leasing of investment properties before depreciation</b>	<b>9,561.76</b>	<b>9,302.90</b>
Depreciation expense	(1,172.69)	(1,165.21)
<b>Profit from leasing of investment properties after depreciation</b>	<b>8,389.07</b>	<b>8,137.69</b>

**(v) Operating lease commitments- as a lessor**

Certain investment property are leased to tenants under long-term operating leases with rentals payable monthly. The Company has given building and related equipment on lease. The Company has entered into non- cancellable lease agreements with the tenants to whom it has leased out shops in Promenade Mall. The details of future minimum lease rentals receivable under operating lease for each of the following periods as on March 31, 2019 and March 31, 2018 are mentioned below:

	March 31, 2019	March 31, 2018
Upto one year	5,342.81	4,677.87
After one year but not more than 5 years	3,577.91	2,239.12
More than five years	2,840.61	3,075.59
<b>Total</b>	<b>11,761.33</b>	<b>9,992.58</b>

**(vi) Fair Value**

Particulars	March 31, 2019	March 31, 2018
Fair Value	1,17,640.00	1,14,040.00

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The Company obtains independent valuations for its investment properties at least annually and fair value measurements are categorised as level 3 measurement in the fair value hierarchy.

Following are the valuation models which have been applied by the independent valuer:

- Discounted cash flow method, where net present value is determined based on projected cash flows discounted at an appropriate rate
- Sales comparable method, which compares the price or price per unit area of similar properties being sold in the marketplace.

Further, inputs used in the above valuation models are as under:

- Property details comprising of total leasable area, area actually leased, vacant area, parking slots etc.
- Revenue assumptions comprising of market rent, market parking rent, rent growth rate, parking income growth rate, market lease tenure, market escalations, CAM income prevailing in the market etc.
- Cost assumptions comprising of brokerage cost, transaction cost on sale, cost escalations etc.
- Discounting assumptions comprising of terminal cap rate, discount rate
- Estimated cash flows from lease rentals, parking income, operation and maintenance income etc. for the future years

**(vii) Deemed cost of investment property (represents deemed cost on the date of transition to Ind AS i.e. on April 1, 2015)**

Description	Gross block	Accumulated depreciation	Net block
Freehold land	27,817.79	-	27,817.79
Buildings	24,693.24	3,409.21	21,284.03
Plant and equipments	8,767.10	1,880.36	6,886.74
<b>Total</b>	<b>61,278.13</b>	<b>5,289.57</b>	<b>55,988.56</b>



**DLF Promenade Limited**  
**Notes to the financial statements for the year ended March 31, 2019**  
*(All amounts in ₹ lacs, unless otherwise stated)*

**5 Other financial assets**

Deposits with original maturity more than 12 months\*  
Interest accrued on  
- Fixed Deposit  
- Others  
Security deposits

Non Current		Current	
March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
-	1,318.84	1,403.60	-
-	-	11.11	6.95
-	-	4.40	3.87
69.99	69.99	-	-
69.99	1,388.83	1,419.11	10.82

\* pledged with debenture trustee (refer note 14)

**6 Deferred tax assets (net)**

**Deferred tax assets arising on account of:**

Brought forward losses \*  
Financial assets measured at amortised cost  
Minimum alternate tax credit \*

**Deferred tax liabilities arising on account of:**

Deduction claimed under section 24(b) of the Income tax Act, 1961.  
Financial liability measured at amortised cost

March 31, 2019	March 31, 2018
2,233.43	2,900.63
(0.06)	(0.06)
718.78	134.97
(1,275.57)	(1,254.72)
(28.07)	(23.88)
1,648.51	1,756.94

\* In accordance with IND AS- 12 "Income Taxes" notified under Section 133 of the Companies Act 2013, in view of the tax loss carried forward by the Company from the previous years, the Company have a net deferred tax asset, primarily comprising of unabsorbed depreciation, MAT credit and carry forward of losses under tax laws. The management is of the view that it is prudent to recognize the deferred tax asset to the extent it is reasonably certain that deferred tax asset can be realized on the basis of future projections approved by the management. Accordingly, deferred tax asset has been recognized in the books.

**Movement in deferred tax assets**

Particulars	April 1, 2018	Recognised in profit and loss	Recognised in other comprehensive income	March 31, 2019
<b>Assets</b>				
Investment property	(1,254.72)	(20.85)	-	(1,275.57)
Unused tax losses	2,900.63	(667.20)	-	2,233.43
Loans	(0.06)	-	-	(0.06)
<b>Liabilities</b>				
Other financial liabilities	(23.88)	(4.19)	-	(28.07)
<b>Minimum alternate tax credit</b>	134.97	583.81	-	718.78
<b>Net</b>	1,756.94	(108.43)	-	1,648.51

**Movement in deferred tax assets**

Particulars	April 1, 2017	Recognised in profit and loss	Recognised in other comprehensive income	March 31, 2018
<b>Assets</b>				
Investment property	(1,697.66)	442.94	-	(1,254.72)
Unused tax losses	4,451.42	(1,550.79)	-	2,900.63
Loans	(0.06)	-	-	(0.06)
Investments	(4.13)	-	4.13	-
<b>Liabilities</b>				
Other financial liabilities	(12.01)	(11.87)	-	(23.88)
<b>Minimum alternate tax credit</b>	267.07	(132.10)	-	134.97
<b>Net</b>	3,004.63	(1,251.82)	4.13	1,756.94

**7 Non current tax assets (net)**

Advance income tax (net of provisions for tax)

Non Current	
March 31, 2019	March 31, 2018
1,875.29	1,561.52
1,875.29	1,561.52

**8 Other assets**

Advance to suppliers  
Capital Advances  
Balance with government authorities  
Prepaid expenses

Non Current		Current	
March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
3.99	-	59.52	59.52
-	36.31	-	-
-	-	14.26	118.42
-	-	49.67	45.86
3.99	36.31	123.45	223.80





**DLF Promenade Limited**
**Notes to the financial statements for the year ended March 31, 2019**
*(All amounts in ₹ lacs, unless otherwise stated)*
**9 Trade receivables**
**Related parties (refer note 40)**

Secured, considered good

Unsecured, considered good

**Others**

Secured, considered good

Unsecured

Considered good

Considered doubtful

Less : Allowance for expected credit loss

	March 31, 2019	March 31, 2018
	100.45	234.23
	99.60	130.61
	596.18	366.63
	170.32	82.57
	16.69	16.69
	983.24	830.73
	(16.69)	(16.69)
	<b>966.55</b>	<b>814.04</b>

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

**10 Cash and cash equivalents**

Balances with banks

In current account (refer note 10.1)

In escrow account (refer note 10.2)

	March 31, 2019	March 31, 2018
	18.11	22.28
	627.38	655.79
	<b>645.49</b>	<b>678.07</b>

10.1 Cheque issued from current account over and above the bank balance has been adjusted against auto sweep Fixed Deposit Receipts.

10.2 ₹ 627.38 lacs (March 31, 2018 - ₹ 655.79 lacs) representing deposits, held by the entity that are not available for use by the Company, as these are pledged with the banks to fulfill the collateral requirements of borrowings taken by the Company.

**10.3 Changes in financial liabilities arising from financing activities**

	April 1, 2018	Cash flows	Charged to Statement of Profit & Loss	March 31, 2019
Non - Convertible Debentures	36,878.25	-	455.83	37,334.08
Loan from Related parties	6,566.00	(3,823.00)	-	2,743.00
Interest accrued but not due on borrowings	134.38	(4,087.49)	4,087.49	134.38
Interest accrued and due on borrowings	769.45	(842.16)	576.53	503.82
Total liabilities from financing activities	<b>44,348.08</b>	<b>(8,752.65)</b>	<b>5,119.85</b>	<b>40,715.28</b>
	April 1, 2017	Cash flows	Charged to Statement of Profit & Loss	March 31, 2018
Non - Convertible Debentures	36,559.31	-	318.94	36,878.25
Loan from Related parties	7,336.00	(770.00)	-	6,566.00
Interest accrued but not due on borrowings	134.38	(4,087.50)	4,087.50	134.38
Interest accrued and due on borrowings	1,224.43	(1,309.92)	854.94	769.45
Total liabilities from financing activities	<b>45,254.12</b>	<b>(6,167.42)</b>	<b>5,261.38</b>	<b>44,348.08</b>

**11 Other bank balances**

Deposits with original maturity more than 3 months but less than 12 months\*

	March 31, 2019	March 31, 2018
	250.62	710.17
	<b>250.62</b>	<b>710.17</b>

\* Cheque issued from current account over and above the bank balance has been adjusted against auto sweep Fixed Deposit Receipts.



**DLF Promenade Limited**  
**Notes to the financial statements for the year ended March 31, 2019**  
*(All amounts in ₹ lacs, unless otherwise stated)*

**12 Share capital**  
**12.1 Equity Share Capital**  
**(a) Authorised equity share capital**  
Equity shares of ₹ 10 each

March 31, 2019		March 31, 2018	
No. of shares	Amount	No. of shares	Amount
65,21,500	652.15	65,21,500	652.15
<b>65,21,500</b>	<b>652.15</b>	<b>65,21,500</b>	<b>652.15</b>

**(b) Issued, subscribed and paid up**  
Equity shares of ₹ 10 each

65,21,500	652.15	65,21,500	652.15
<b>65,21,500</b>	<b>652.15</b>	<b>65,21,500</b>	<b>652.15</b>

**(i) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year**

At the beginning of the year	65,21,500	652.15	65,21,500	652.15
Issued/(redeemed) during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>65,21,500</b>	<b>652.15</b>	<b>65,21,500</b>	<b>652.15</b>

**(ii) Rights, preferences and restrictions attached to equity shares**

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

**(iii) Details of shareholders holding more than 5% shareholding in the Company**

Name of the shareholder	March 31, 2019		March 31, 2018	
	Number of shares	% holding	Number of shares	% holding
DLF Cyber City Developers Limited, holding company and its nominees	65,21,500	100.00%	65,21,500	100.00%

As per the records of the company, the above shareholding represents both legal and beneficial ownership of shares.

**(iv) The Company has not issued any equity shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and brought back during the last five years.**

March 31, 2019		March 31, 2018	
No. of shares	Amount	No. of shares	Amount
100	0.10	100	0.10
4,000	4.00	4,000	4.00
<b>4,100</b>	<b>4.10</b>	<b>4,100</b>	<b>4.10</b>

**12.2 Preference Share Capital**

**(a) Authorised preference share capital**

12% non cumulative redeemable preference shares of ₹100 each  
9% non cumulative redeemable preference shares of ₹ 100 each

100	0.10	100	0.10
4,000	4.00	4,000	4.00
<b>4,100</b>	<b>4.10</b>	<b>4,100</b>	<b>4.10</b>

**13 Other equity**

Reserves and surplus

Securities Premium

Retained Earnings

Debenture redemption reserve

March 31, 2019	March 31, 2018
14,323.75	14,323.75
(6,719.64)	(6,719.64)
3,422.96	1,052.48
<b>11,027.07</b>	<b>8,656.59</b>

**Nature and purpose of other reserves**

**Securities premium reserve**

Securities premium reserve represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

**Retained earnings**

All the profits made by the Company are transferred to retained earnings from statement of profit and loss.

**Debenture redemption reserve**

The Company is required to create a debenture redemption reserve out of the profits which are available for redemption of debentures. Debenture redemption reserve is created during the year to the extent of the availability of profits.

**Other comprehensive income**

Other comprehensive income represents balance arising on account of gain/(loss) booked on fair valuation of equity instrument.



	Non Current borrowings		Current borrowings	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>14 Borrowings</b>				
Non convertible debentures (secured) (refer 14.1)*	37,334.08	36,878.25	-	-
<b>Loan from related party (unsecured)</b>				
Loan from DLF Assets Private Limited (refer 14.2)	-	-	2,743.00	5,866.00
Loan from DLF Cyber City Developers Limited (refer 14.3)	-	-	-	700.00
	<b>37,334.08</b>	<b>36,878.25</b>	<b>2,743.00</b>	<b>6,566.00</b>
Less : Disclosed under other financial liabilities (refer note 18)	(37,334.08)	-	-	-
	<b>-</b>	<b>36,878.25</b>	<b>2,743.00</b>	<b>6,566.00</b>

\* based on early redemption date.

**14.1 Repayment terms<sup>1</sup> and security disclosure for the outstanding long-term borrowings (including current maturities):****Listed, Secured, Redeemable, 3,750 Non Convertible Debentures of ₹ 1,000,000 each referred above to the extent of :-**

- (i) ₹ 37,334.08 lacs ( March 31,2018 ₹ 36,878.24 lacs) are secured by way of first pari passu charge on the immovable property i.e "DLF Promenade Mall" situated at New Delhi, owned by the Company. Coupon rate of these debentures is 10.90% and the final redemption date is December 11, 2021 and date of redemption ( based on early redemption date) is not earlier than June 11, 2019. The Company has subsequently exercised its right to redeem all the Debentures on June 12, 2019. Pledge over the shareholding of the issuer company along with charge over debt service account in favour of debenture trustees.
- (ii) Charge on receivables pertaining to the aforesaid immovable property owned by the Company.
- (iii) Pledge over the shareholding of Company.
- (iv) Fixed deposits pledged with debenture trustees (refer note 5).

**14.2** Loan outstanding amounting to ₹ 2,743 lacs (March 31, 2018 ₹5,866 lacs) from related party is repayable on demand and carry interest @ 11.50 % p.a.**14.3** Loan outstanding amounting to ₹ Nil (March 31, 2018 ₹ 700 lacs) from related party is repayable on demand and carry interest @ 11.50 % p.a.**15 Other financial liabilities**

Security deposit received from tenants

Capital creditors

Non-Current	
March 31, 2019	March 31, 2018
2,393.64	1,953.01
56.19	15.93
<b>2,449.83</b>	<b>1,968.94</b>

**16 Deferred revenue**

At the beginning of the year

Deferred during the year

Released to the statement of profit and loss

At the end of the year

March 31, 2019	March 31, 2018
1,082.34	1,072.49
698.72	498.24
(387.47)	(488.39)
<b>1,393.59</b>	<b>1,082.34</b>

Current

Non-current

310.30	270.12
1083.29	812.22
<b>1,393.59</b>	<b>1,082.34</b>

**17 Trade payables**

Total outstanding dues of micro enterprises and small enterprises (refer note 31)

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

Related Parties (refer note 40)

Others

Current	
March 31, 2019	March 31, 2018
11.78	-
353.20	828.42
444.19	396.90
<b>809.17</b>	<b>1,225.32</b>

**18 Other financial liabilities**

Current maturities of long term debt (Non convertible debentures)(refer note 14)

Interest accrued and not due on borrowings (refer note 14)

Interest accrued and due on borrowings (refer note 14 and 40)

Security deposit received from tenants

Other payable

March 31, 2019	March 31, 2018
37,334.08	-
134.38	134.38
503.82	769.45
1,384.71	1,611.25
5.51	5.51
<b>39,362.50</b>	<b>2,520.59</b>

**19 Other current liabilities**

Advance from customers (Contractual Liability)

Statutory dues payable

March 31, 2019	March 31, 2018
37.70	90.74
183.85	109.65
<b>221.55</b>	<b>200.39</b>



**DLF Promenade Limited**  
**Notes to the financial statements for the year ended March 31, 2019**  
*(All amounts in ₹ lacs, unless otherwise stated)*

**20 Revenue from operations**

**Operating revenue**

Rental income \*

Revenue from contract with customers

**Disaggregated revenue information**

Service income

Parking income

Promotional income

Amount forfeited on properties

Other operating revenue

**Total revenue from contracts with customers**

	March 31, 2019	March 31, 2018
Rental income *	10,338.04	10,030.79
Revenue from contract with customers		
Service income	3,916.53	3,586.94
Parking income	447.33	441.88
Promotional income	505.30	418.68
Amount forfeited on properties	0.68	-
Other operating revenue	0.30	0.13
<b>Total revenue from contracts with customers</b>	<b>4,870.14</b>	<b>4,447.63</b>
	<b>15,208.18</b>	<b>14,478.42</b>

\* It includes ₹ 301.00 lacs (March 31, 2018 ₹ 400.46 lacs) income on account of financial liability measured at amortised cost.

**Other disclosures required under Ind AS 115 "Revenue from contracts with customers"**

**a. Timing of revenue recognition**

Revenue recognised over period of time

Revenue recognised at a point of time

	March 31, 2019
Revenue recognised over period of time	4,870.14
Revenue recognised at a point of time	-
	<b>4,870.14</b>

**b. Contract balances**

Trade receivable from contracts with customers (March 31, 2018 - ₹ 324.93 lacs)

Contract assets

Contract liabilities

321.75

-

0.58

Trade receivables are generally on terms of 7 to 30 days. Interest on delay in payments from customers (if any) is recognised as per the terms of contracts.

Contract assets are initially recognised for revenue earned from maintenance services and other operating income as receipt of consideration is conditional on successful provision of services. Upon completion of services, the amounts recognised as contract assets are reclassified to trade receivables.

Contract liabilities include advances received in respect of provision of maintenance services to the tenants.

**c. Significant changes in contract assets and contract liabilities during the year**

**i) Movement of contract liabilities**

Amounts included in contract liabilities at the beginning of the year

Amount received / adjusted against contract liabilities during the year

Revenue recognised from performance obligations satisfied in previous years

**Amounts included in contract liabilities at the end of the year**

82.49

(85.03)

3.12

0.58

**d. Set out below is the amount of revenue recognised from:**

Amounts included in contract liabilities at the beginning of the year

Performance obligations satisfied in previous years

March 31, 2019

-

3.12

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

Revenue as per contract price

Adjustment (if any)

4,870.14

-

**4,870.14**

**f. Performance obligation**

The performance obligation of the Company in case of maintenance services is satisfied over-time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Company. The Company raises invoices as per the terms of the contracts, upon which the payment is due to be made by the tenants.

As per the terms of the service contracts with the customers, the Company has right to consideration from customers in an amount that directly corresponds with the value to the customers of the Company's performance obligation completed till date. Accordingly, the Company has used the practical expedient under Ind AS 115 'Revenue from contracts with customers' and has disclosed information relating to performance obligations to the extent required under Ind AS 115.

**21 Other income**

Interest income on

Bank deposits

Income tax refunds

Others

Unclaimed balances written back

Miscellaneous income

	March 31, 2019	March 31, 2018
Interest income on Bank deposits	164.10	171.85
Income tax refunds	-	184.14
Others	4.90	4.30
Unclaimed balances written back	0.40	2.29
Miscellaneous income	51.35	6.14
	<b>220.75</b>	<b>368.72</b>



**DLF Promenade Limited**
**Notes to the financial statements for the year ended March 31, 2019**
**(All amounts in ₹ lacs, unless otherwise stated)**

	March 31, 2019	March 31, 2018
<b>22 Finance costs</b>		
Interest expense on		
Debentures	4,543.32	4,406.44
Loans from related parties	576.53	854.94
Financial liability measured at amortised cost	276.18	351.56
Guarantee and bank charges	3.37	3.66
Others	-	0.14
	<b>5,399.40</b>	<b>5,616.74</b>
<b>23 Depreciation expense</b>		
Depreciation on property, plant and equipment	4.32	4.26
Depreciation on investment property	1,172.69	1,165.21
	<b>1,177.01</b>	<b>1,169.47</b>
<b>24 Other expenses</b>		
Rates and taxes	106.15	92.27
Advertisement and publicity	580.94	557.38
Electricity, fuel and water	1,560.20	1,367.81
Repair and maintenance - building	186.05	157.40
Corporate Social Responsibility expense (refer note 38)	34.30	7.00
Repair and maintenance - others	237.74	238.85
Director's expense	5.98	6.79
Commission & brokerage	9.29	13.11
Legal and professional fees	69.92	53.20
Facility maintenance expenses	2,039.84	2,081.49
Heating, ventilation and airconditioning	691.19	581.22
Payment to auditors (refer note 24.1)	29.72	22.36
Business support charges	121.82	136.30
Provision for doubtful debts and advances	-	16.69
Loss on pre settlement of financial liability (Net)	10.44	8.15
Miscellaneous expenses	0.51	2.05
	<b>5,684.09</b>	<b>5,342.07</b>
<b>24.1 Payment to auditor*</b>		
As auditor		
Audit fees (including limited review)	20.00	18.95
Tax audit fees	7.00	-
Other certifications	-	2.75
Out of pocket expenses	2.72	0.66
	<b>29.72</b>	<b>22.36</b>
<i>* exclusive of applicable taxes</i>		
<b>25 Tax expense</b>		
Current tax	689.52	134.39
Minimum alternate tax credit entitlement	(583.81)	-
Deferred tax charge	692.24	1,119.72
	<b>797.95</b>	<b>1,254.11</b>

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 27.82% (March 31, 2018: 33.063%) and the reported tax expense in profit or loss are as follows:

Particulars	March 31, 2019	March 31, 2018
Accounting profit before income tax	3,168.43	(985.62)
At country's statutory income tax rate of 27.82% (March 31, 2018: 33.063%) (A)	881.46	(325.88)
<b>Adjustments</b>		
Tax impact of expenses which will never be allowed	2,014.52	3,651.81
Standard deduction under income from house property	(834.18)	(951.47)
Interest expense allowed under section 24(b) of Income Tax Act	(1,199.93)	(1,428.60)
Difference due to change in tax rate	34.88	(363.60)
Brought forward losses adjusted and lapsed	490.50	679.94
Minimum alternate tax credit entitlement	(583.81)	-
Others	(5.49)	(8.09)
<b>Total adjustment (B)</b>	<b>(83.51)</b>	<b>1,579.99</b>
<b>Income tax expenses recognised in the books (A+B)</b>	<b>797.95</b>	<b>1,254.11</b>



**DLF Promenade Limited**

**Notes to the financial statements for the year ended March 31, 2019**

(All amounts in ₹ lacs, unless otherwise stated)

**26 Other comprehensive income**

**Items that will not be reclassified to profit or loss**

Fair valuation gain / (loss) on investment in equity instrument  
Income tax effect on above

March 31, 2019	March 31, 2018
	(17.83)
	4.13
	(13.70)

**27 Earnings/(loss) per equity share**

Earnings attributable to equity shareholders  
Weighted average number of equity shares outstanding (in numbers)  
Nominal value of equity share (₹)  
Earnings per equity share (₹)  
-Basic  
-Diluted

March 31, 2019	March 31, 2018
2,370.48	(2,239.73)
65,21,500	65,21,500
10.00	10.00
36.35	(34.34)
36.35	(34.34)

(This space has been intentionally left blank)





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

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

**Level 1:** quoted prices (unadjusted) in active markets for financial instruments.

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

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

**(ii) Valuation technique used to determine fair value**

Fair value of investment in equity shares have been determined based on discounted cash flow method (income approach).

**(iii) Investment in Equity Shares**

Particulars	Amount
<b>As at March 31, 2017</b>	<b>40.85</b>
Disposal of investments	(94.53)
Gain/(loss) recognised in other comprehensive income	(17.83)
Gain/(loss) recognised in profit or loss	71.51
<b>As at March 31, 2018</b>	<b>-</b>
Disposal of investments	-
Gain/(loss) recognised in other comprehensive income	-
Gain/(loss) recognised in profit or loss	-
<b>As at March 31, 2019</b>	<b>-</b>

**(iv) Financial instruments by category**

Particulars	March 31, 2019			March 31, 2018		
	Level	Carrying value	Amortised cost	Level	Carrying value	Amortised cost
<b>Financial assets</b>						
Security deposit	Level 3	69.99	69.99	Level 3	69.99	69.99
Fixed deposit (non current)	Level 3	-	-	Level 3	1,318.84	1,318.84
<b>Total</b>		<b>69.99</b>	<b>69.99</b>		<b>1,388.83</b>	<b>1,388.83</b>
<b>Financial liabilities</b>						
Borrowings including interest	Level 3	37,468.46	37,468.46	Level 3	37,012.63	37,012.63
Security deposit	Level 3	3,778.35	3,778.35	Level 3	3,564.26	3,564.26
Other financial liabilities	Level 3	56.19	56.19	Level 3	15.92	15.92
<b>Total</b>		<b>41,303.00</b>	<b>41,303.00</b>		<b>40,592.81</b>	<b>40,592.81</b>

The management assessed that cash and cash equivalents, other bank balances, trade receivables, other current financial assets, trade payables, borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

- The fair values for security deposits received were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

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

Financial instruments, carrying value represents the best estimate of fair value.

Particulars	March 31, 2019	March 31, 2018
	Amortised cost	Amortised cost
<b>Financial assets</b>		
Trade receivables	966.55	814.04
Security deposit	69.99	69.99
Cash and cash equivalents	645.49	678.07
Other bank balances	250.62	710.17
Other financial assets	1,419.11	1,329.66
<b>Total</b>	<b>3,351.76</b>	<b>3,601.93</b>
<b>Financial liabilities</b>		
Borrowings including interest	40,715.28	44,348.08
Trade payable	809.17	1,225.32
Security deposit	3,778.35	3,564.26
Other financial liabilities	61.70	21.44
<b>Total</b>	<b>45,364.50</b>	<b>49,159.10</b>



## ii) Risk Management

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

## A) Credit risk

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

## a) Credit risk management

## i) Credit risk rating

The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk on financial reporting date

B: Moderate credit risk

C: High credit risk

The Company provides for expected credit loss based on the following:

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

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

Assets under credit risk –

Credit rating	Particulars	March 31, 2019	March 31, 2018
A: Low credit risk	Cash and cash equivalents, other bank balances, trade receivables and other financial assets	3,351.76	3,601.93
B: Moderate credit risk	Other financial assets	-	-
C: High credit risk	Trade receivables	16.69	16.69

## b) Credit risk exposure

## Provision for expected credit losses

The Company provides for expected credit loss based on lifetime expected credit loss mechanism for financial assets –

## March 31, 2019

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of provision
Trade receivables	983.24	16.69	966.55
Cash and cash equivalents	645.49	-	645.49
Other financial assets	1,489.10	-	1,489.10
Other bank balances	250.62	-	250.62

## March 31, 2018

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of provision
Trade receivables	830.73	16.69	814.04
Cash and cash equivalents	678.07	-	678.07
Other financial assets	1,399.65	-	1,399.65
Other bank balances	710.17	-	710.17

In respect of trade receivables, the Company considers provision for lifetime expected credit loss. Given the nature of business operations, the Company's trade receivables has low credit risk as the Company holds security deposits equivalents ranging from three to six months rentals. Further historical trends indicate any shortfall between such deposits held by the Company and amounts due from customers have been negligible.

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

Other financial assets being security deposits, investment and others are also due from several counter parties and based on historical information about defaults from the counter parties, management considers the quality of such assets that are not past due to be good.





**B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**Maturities of financial liabilities**

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

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

March 31, 2019	Less than 1 year	1-5 year	More than 5 years	Total
<b>Non-derivatives</b>				
Borrowings including interest	41,687.50	-	-	41,687.50
Trade payable	809.17	-	-	809.17
Security deposits	1,406.33	2,326.79	1,530.29	5,263.41
Other financial liabilities	56.19	-	-	56.19
<b>Total</b>	<b>43,959.19</b>	<b>2,326.79</b>	<b>1,530.29</b>	<b>47,816.27</b>

March 31, 2018	Less than 1 year	1-5 year	More than 5 years	Total
<b>Non-derivatives</b>				
Borrowings including interest	11,557.33	40,478.84	-	52,036.17
Trade payable	1,225.32	-	-	1,225.32
Security deposits	1,621.56	1,738.72	1,363.39	4,723.67
Other financial liabilities	15.93	-	-	15.93
<b>Total</b>	<b>14,420.14</b>	<b>42,217.56</b>	<b>1,363.39</b>	<b>58,001.09</b>

**C) Market Risk**

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

**a) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

**i) Liabilities**

The Company has only fixed rate borrowings which are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**ii) Assets**

The Company's fixed deposits, interest bearing security deposits and loans are carried at fixed rate. Therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**30 Capital management****Risk management**

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern as well as to provide a balance between financial flexibility and balance sheet efficiency. In determining its capital structure, the Company considers the robustness of future cash flows, potential funding requirements for growth opportunities and acquisitions, the cost of capital and ease of access to funding sources.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	March 31, 2019	March 31, 2018
Total Borrowings including interest accrued	40,715.28	44,348.08
Less : Cash and cash equivalent	(645.49)	(678.07)
<b>Net debt</b>	<b>40,069.79</b>	<b>43,670.01</b>
Total equity	11,679.22	9,308.74
<b>Net debt to equity ratio</b>	<b>343.09%</b>	<b>469.13%</b>



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

Particulars	March 31, 2019	March 31, 2018
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	11.78	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 this Act;	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 has been determined to the extent such parties have been identified on the basis of information available with the Company. The same has been relied upon by the auditors.

32 **Segment reporting**

In line with the provisions of Ind AS 108 - operating segments and basis the review of operations being done by the senior Management, the operations of the Company fall under business of leasing of real estate activities. The Company operates within India and does not have operations in economic environments with different risks and returns. Hence, it is considered operating in single geographical segment.

33 CRISIL has reaffirmed its rating on the commercial mortgage backed securities ("CMBS") to CRISIL AA (SO)/(Stable) vide letter March 6, 2019 and ICRA has also reaffirmed its rating on CMBS to ICRA AA (SO) (Stable) vide letter dated November 22, 2018.

34 **Contingent liabilities**

**Claims against the company not acknowledged as debts**

Particulars	March 31, 2019	March 31, 2018
Service tax demand (for financial year 2007-12)	692.00	692.00

During the earlier years, the Company received an order from Commissioner of Service tax demanding service tax liability amounting to Rs ₹ 692.00 lacs (which constitutes service tax liability amounting to ₹ 346.00 lacs along with 100% penalty amounting to ₹ 346.00 lacs) and interest thereon (Interest on liability may be determined as and when the service tax liability is actually finalized) on denial/recovery of Cenvat credit (being the credit of service tax paid on construction services) utilized against out put service (i.e. Rental Income for financial Year 2007-08 to 2011-12). The Company had filed an appeal along with stay application with respect to the aforesaid Commissioner of Service tax's order to higher authority i.e. Customs, Excise & Service Tax Appellate Tribunal (CESTAT). During the year ended March 31, 2016, CESTAT issued stay against the above said order and the matter is pending for hearing till the date of signing of financial statements.

Based on the discussions from independent tax experts/development on the appeals, the management believes that the Company has a good chance of success in above-mentioned matter and hence, no provision was considered necessary in these financial statements.

**Guarantees**

There are no guarantees issued by Company on behalf of loan taken by others.

35 In respect of listed debt securities, the Company has maintained 100% asset cover, sufficient to discharge the principal amount at all times for the debt securities.

36 In the opinion of the board of directors, current assets and other financial assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and provisions of all known liabilities have also been made.

37 Estimated amount of commitments on capital account as on March 31, 2019 is ₹ 24.11 lacs (March 31, 2018 ₹ 42.84 lacs).

38 In accordance with the provisions of section 135 of the Companies Act 2013, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms, with the provisions of the said Act, the Company was required to spend a sum of ₹ 34.30 lacs (March 31, 2018: ₹ 7.00 lacs) towards CSR activities during the year ended March 31, 2019. The details of amount actually paid by the Company to Lal Chand Public Charitable Trust and Shree Mahavir Ji Trust (March 31, 2018 :DLF Foundation) are:

	Amount Paid	Amount yet to be Paid	Total
<b>March 31, 2019 :</b>			
Donation made for construction/ acquisition of assets			
Donation made for healthcare, environment sustainability	34.30		34.30
<b>March 31, 2018 :</b>			
Donation made for construction/ acquisition of assets			
Donation made for education	7.00		7.00

39 During the year ended March 31, 2018, the Company has sold off their investments in equity shares, 3,250 shares of ₹ 10 each, of Galleria property Management Services Private Limited at a sale price of ₹ 1 and accounted for the loss of ₹ 0.32 lacs in its books. As on November 30, 2017, the Company has obtained the valuation report from a firm of chartered accountants, which shows that there is negative net worth of M/s Galleria Park Management Services Private Limited of ₹(10,455.91) lacs. Accordingly, the Company paid an additional amount of ₹ 3,775.67 lacs being proportionate amount of loss (36.11% share) to M/s DLF Home Developer Limited as mentioned in the share purchase agreement and recognized the loss of ₹ 3,775.99 lacs (including loss of ₹ 0.32 lacs on sale of its investment) as exceptional items in the statement of Profit & loss for the year ended March 31, 2018.

Further, the Company sold off their investments in equity shares, 230,000 shares of ₹ 10 each, of DLF Unilines Limited("DUL") at a sale price of ₹ 41.10 per equity share on the basis of its Fair valuation report provided by a firm of chartered accountants which has resulted in net profit of ₹ 71.53 lacs.

Accordingly, the Company accounted for the net loss of ₹ 3,704.48 lacs (after netting off the profit of ₹ 71.53 lacs on sale of shares of DUL) as exceptional items in the statement of Profit & loss for the year ended March 31, 2018.

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- 40 **Related party disclosures**  
In accordance with Ind AS-24 "Related Party Disclosures" of the Companies (Indian Accounting Standard) Rules, 2015 (as amended from time to time), the names of related parties along with aggregate amount of transactions and year end balances with them are given as follows:

**Relationship:**

**i) Related parties where control exists**

**a) Ultimate holding company**

DLF Limited (till December 25, 2017)

**b) Holding Company**

DLF Cyber City Developers Limited (the holding company)

**c) Entity having joint control over the holding company**

DLF Limited (w.e.f. December 26, 2017)

Reco Diamond Private Limited. (w.e.f. December 26, 2017)

**d) Additional related party as per The Companies Act, 2013**

**Holding company of the entity having joint control over the Company's holding company**

Rajdhani Investments & Agencies Private Limited (ultimate holding Company w.e.f. March 12, 2018)

**ii) Related parties with whom there were transactions during the year**

**a) Ultimate holding company**

DLF Limited (till December 25, 2017)

**b) Holding Company**

DLF Cyber City Developers Limited (the holding company)

**c) Entity having joint control over the holding company**

DLF Limited (w.e.f. December 26, 2017)

**d) Fellow subsidiary company**

DLF Utilities Limited (till December 25, 2017)

DLF Power & Services Limited

DLF Emporio Restaurants Limited (till December 25, 2017)

DLF Assets Private Limited

Richmond Park Property Management Services Limited

DLF Universal Limited (till December 25, 2017)

**e) Subsidiary of entity having joint control over the holding company**

DLF Emporio Restaurants Limited (w.e.f. December 26, 2017)

DLF Universal Limited (w.e.f. December 26, 2017)

**f) Associate Company:**

Gallena Property Management Services Private Limited (till December 25, 2017)

**g) Enterprises under the control of Key managerial personnel(KMP) of ultimate holding company or their relatives at any time during the year/ previous year**

DLF Brands Limited (till December 25, 2017)

Rod Retail Private Limited (till December 25, 2017)

Kapo Retail Private Limited (till December 25, 2017)

Rhea Retail Private Limited (till December 25, 2017)

Solange Retail Private Limited (till December 25, 2017)

Juno Retail Private Limited (till December 25, 2017)

Kiko Cosmetics Retail Private Limited (till December 25, 2017)

Cloteq Apparels Private Limited (till December 25, 2017)

Diana Retail Private Limited (till December 25, 2017)

DLF Foundation (till December 25, 2017)

**h) Key managerial personnel(KMP) or enterprises under the control of KMP of entities having joint control over the holding company or their relatives at any time during the year/ previous year**

DLF Brands Limited (w.e.f. December 26, 2017)

Rod Retail Private Limited (w.e.f. December 26, 2017)

Kapo Retail Private Limited (w.e.f. December 26, 2017)

Rhea Retail Private Limited (w.e.f. December 26, 2017)

Solange Retail Private Limited (w.e.f. December 26, 2017)

Juno Retail Private Limited (w.e.f. December 26, 2017)

Kiko Cosmetics Retail Private Limited (w.e.f. December 26, 2017)

Cloteq Apparels Private Limited (w.e.f. December 26, 2017)

Diana Retail Private Limited (w.e.f. December 26, 2017)

DLF Foundation (w.e.f. December 26, 2017)

Lal Chand Public Charitable Trust (w.e.f. December 26, 2017)

Shree Mahavir Ji Trust (w.e.f. December 26, 2017)

Mr. Raj Kumar Jain (Independent director)

Mr. Santosh Kumar Garg (Independent director)

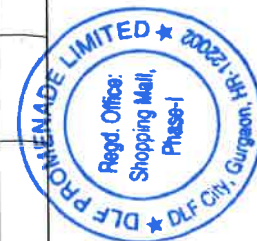
Mr. Surinder Singh Chawla (Independent director)

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10) The following transactions were carried out with related parties during the year:

Description	Ultimate Holding Company		Holding Company		Entity having joint control over the holding company		Fellow subsidiaries		Subsidiary of entity having joint control over the holding company		Key managerial personnel (KMP) or enterprises under the control of KMP of ultimate holding company or their relatives at any time during the year		Key managerial personnel (KMP) or enterprises under the control of KMP of entities having joint control over the holding company or their relatives at any time during the year		Total	
	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18
<b>Transactions during the year</b>																
<b>Rental income</b>																
DLF Universal Limited																
DLF Brands Limited																
Sikro Cosmetics Retail Private Limited																
Rod Retail Private Limited																
Rhea Retail Private Limited																
Choteeq Apparels Private Limited																
<b>Service income</b>																
DLF Power & Services Limited																
<b>CAM Income</b>																
DLF Universal Limited																
DLF Brands Limited																
Sikro Cosmetics Retail Private Limited																
Rod Retail Private Limited																
Rhea Retail Private Limited																
Choteeq Apparels Private Limited																
<b>Delayed Interest Income</b>																
DLF Universal Limited																
DLF Brands Limited																
Sikro Cosmetics Retail Private Limited																
Rod Retail Private Limited																
Choteeq Apparels Private Limited																
<b>Interest expense</b>																
DLF Cyber City Developers Limited																
DLF Asset Private Limited																
DLF Universal Limited																
DLF Brands Limited																
Sikro Cosmetics Retail Private Limited																
Rod Retail Private Limited																
Choteeq Apparels Private Limited																
<b>Bank Guarantee Charges</b>																
DLF Universal Limited																
Advertisement and publicity																
DLF Power & Services Limited																
DLF Emporio Restaurants Limited																
Richmond Park Property Management Services Limited																

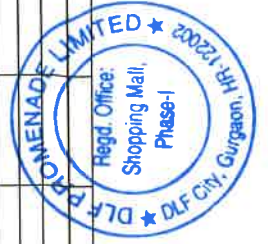




Description	Ultimate Holding Company		Holding Company		Entity having joint control over the holding company		Fellow subsidiaries		Subsidiary of entity having joint control over the holding company		Key managerial personnel (KMP) or enterprises under the control of KMP of ultimate holding company or their relatives at any time during the year		Key managerial personnel (KMP) or enterprises under the control of KMP of ultimate holding company or their relatives at any time during the year		Total	
	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18
Electricity, fuel and water																
DLF Power & Services Limited							167.58	122.51							167.58	122.51
Repair and maintenance - building																
DLF Power & Services Limited							159.52	96.50							159.52	96.50
Repair and maintenance - others																
DLF Power & Services Limited							180.95	184.90							180.95	184.90
Facility maintenance expenses																
DLF Power & Services Limited							2,076.53	2,142.33							2,076.53	2,142.33
Heating, ventilation and air conditioning																
DLF Power & Services Limited							689.36	525.56							689.36	525.56
Business support charges																
DLF Power & Services Limited							139.53	151.65							139.53	151.65
CSR expense																
DLF Foundation																
Lal Chand Public Charitable Trust											7.00					7.00
Shree Mohanji Trust											7.98				7.98	
Loss on fair valuation of investment											26.32				26.32	
DLF Utilities Limited																
Property tax recovery																
DLF Universal Limited									10.64						10.64	10.64
DLF Brands Limited																
Rod Retail Private Limited											2.60		0.92		0.92	2.60
Rhea Retail Private Limited											0.74		0.78		0.78	0.74
Koko Cosmetics Retail Private Limited											2.63		0.45		0.45	2.63
Clancy Apartments Private Limited											1.00		1.06		1.06	1.00
Director's expense													0.49		0.49	
Mr. Raj Kumar Jain																
Mr. Sanjosh Kumar Gang													1.40	1.58	1.40	1.58
Mr. Surinder Singh Chawla													2.20	2.40	2.20	2.40
Purchase of Asset		6.75											2.00	2.80	2.00	2.80
DLF Limited																
DLF Power & Services Limited																
Loan taken																
DLF Cyber City Developers Limited																
Loan repayment																
DLF Cyber City Developers Limited			700.00												700.00	3,100.00
DLF Asset Private Limited							3,123.00	1,994.00							3,123.00	1,994.00



Description	Ultimate Holding Company		Holding Company		Entity having joint control over the holding company		Fellow subsidiaries		Subsidiary of entity having joint control over the holding company		Key managerial personnel (KMP) or enterprises under the control of KMP of ultimate holding company or their relatives at any time during the year		Key managerial personnel (KMP) or enterprises under the control of KMP of entities having joint control over the holding company or their relatives at any time during the year		Total	
	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18
<b>Balances at year end</b>																
Security deposits received																
DLF Universal Limited									109.31						109.31	
DLF Brands Limited													54.38	67.20	54.38	67.20
Kiko Cosmetics Retail Private Limited													36.08	32.36	36.08	32.36
Rheo Retail Private Limited													37.19		37.19	
Road Retail Private Limited													17.66	17.66	17.66	
Selangor Retail Private Limited													1.20	20.74	1.20	20.74
Choreq Apparels Private Limited													8.50	4.81	8.50	4.81
<b>Deferred income</b>																
DLF Brands Limited													11.49	12.39	11.49	12.39
Kiko Cosmetics Retail Private Limited													15.31	19.56	15.31	19.56
Rheo Retail Private Limited													17.17		17.17	
Choreq Apparels Private Limited													1.53		1.53	
<b>Unsecured loans</b>																
DLF Asset Private Limited							2,743.00	5,866.00							2,743.00	5,866.00
DLF Cyber City Developers Limited					700.00											700.00
<b>Interest accrued but not due</b>																
DLF Asset Private Limited																
DLF Cyber City Developers Limited					79.62		503.82	689.82							503.82	689.82
<b>Trade receivables</b>																
DLF Universal Limited							20.37	71.96							20.37	71.96
DLF Brands Limited													112.16	96.25	112.16	96.25
Kiko Cosmetics Retail Private Limited													4.96	3.12	4.96	3.12
Rheo Retail Private Limited													41.25	50.04	41.25	50.04
Selangor Retail Private Limited													104.21		104.21	
Choreq Apparels Private Limited													3.60	3.60	3.60	
DLF Power & Services Limited													1.48	0.14	1.48	0.14
<b>Advance from customers</b>																
Kejriwal Retail Private Limited													0.53	0.53	0.53	0.53
<b>Trade payables</b>																
DLF Power & Services Limited							333.90	804.20							333.90	804.20
Richmond Park Property Management Services Limited							5.93	23.29							5.93	23.29
DLF Emporio Restaurants Limited									13.38						13.38	
DLF Limited																9.56
<b>Bank Guarantee</b>																
DLF Limited																226.26
<b>Share capital</b>																
DLF Cyber City Developers Limited			652.15	652.15											652.15	652.15



- 41 During the current year, the Company has charged the Common Area Maintenance ("CAM") revenue (included under the head "Revenue from Operations") from tenants on provisional basis, based on management's estimate of cost incurred. However, post the year-end, the Company will obtain an independent party certificate of actual expenditure incurred towards maintenance charges for the year ended March 31, 2019. The management believes that no material adjustments will arise in CAM revenue which will affect the current year financial statements.
- 42 During the current year, debenture redemption reserve has been created to the extent of the availability of profits and will be created in subsequent periods subject to the availability of profits.
- 43 The listed Non-Convertible Debentures of the Company contains 3,750 secured, rated, listed, redeemable non-convertible debentures of face value of ₹ 10 lacs each having coupon rate of 10.90% per annum payable on monthly rests amounting to ₹ 37,500.00 lacs (reflected in Ind AS financial statements at ₹ 37,334.08 lacs) as at March 31, 2019 are secured by way of pari-passu charge on the immovable property under the project "Promenade" located at Vasant Kunj, New Delhi, owned by the Company. As per the Debenture Trust Deed dated May 15, 2014, the final redemption date is December 11, 2021 and the date of redemption (based on early redemption date) is not earlier than June 11, 2019. Subsequent to year end the Company has exercised its right to early redemption of all its outstanding 10.90% NCD of ₹ 37,500.00 lacs (reflected in Ind AS financial statements at ₹ 37,334.08 lacs) on June 12, 2019 by issuing early redemption notice dated April 18, 2019 to Axis Trustee Services Limited (Debenture Trustee). The management is in advanced discussion with other lenders to refinance the said loan and expect to meet its obligation to Debenture Holders as it falls due.
- 43 **Standards issued but not yet effective**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued Companies (Indian Accounting Standards) Amendment Rules, 2019 amending the following standard:

**Ind AS 116- Leases**

Ind AS 116 Leases was notified on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases. As per Ind AS 116, a lessor shall recognize lease payments from operating leases as income on either a straight-line basis or another systematic basis unlike Ind AS 17, where straight-lining of lease escalations was not required in case the escalations were in line with the expected general inflation and were compensating the lessor for expected inflationary cost.

The ultimate impact on revenue resulting from the application of Ind AS 116 will be subject to assessments that are dependent on terms of the contractual arrangements. The Company has established an implementation team to implement Ind AS 116 related to the recognition of lease revenue and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 116 on the financial statements will only be possible once the implementation project has been completed.

- 44 The figures of previous year have been reclassified/ regrouped for better presentation in the financial statements and to conform to the current year's classifications/ disclosures. This does not have any impact on the profits and hence no change in the basic and diluted earnings per share of previous year.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm's Registration No: 3010031/E/300005

*[Signature]*  
 per Amit Gupta  
 Partner  
 Membership Number: 501396



*[Signature]*  
 Pushpa Bector  
 Director  
 DIN - 02917318

*[Signature]*  
 Gurpreet Singh  
 Chief Financial Officer

Place: Gurugram

Date: May 3, 2019

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

*[Signature]*  
 R.P. Punjani  
 Director  
 DIN - 00050645

*[Signature]*  
 Manoj Kumar Dua  
 Company Secretary  
 M. No. A12025

*[Signature]*  
 Siddhartha Naru  
 Manager

