

# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
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India

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## Independent Auditor's Report

### To the Members of DLF South Point Limited

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of DLF South Point Limited, ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.



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5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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, 2015 and its loss and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the financial statements dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
  - e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. as detailed in Note 24 to the financial statements, the Company has disclosed the impact of pending litigations on its financial position;



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- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

*Walker Chandiok & Co LLP*  
For **Walker Chandiok & Co LLP**  
*(formerly Walker, Chandiok & Co)*  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

*Nitin Kohli*  
per **Nitin Kohli**  
Partner  
Membership No.: 507771



Place : Gurgaon

Date : May 18, 2015

# Walker Chandiook & Co LLP

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

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

- (i) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.  
  
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
  
(c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- (iv) Owing to the nature of the business, the Company does not maintain any fixed assets. Accordingly, clause 3 (iv) of the order in respect of purchase of fixed assets is not applicable. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and for the sale goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.



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

- (b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Amount paid under protest (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	15,297,101	1,529,710	Assessment Year 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Penalty u/s 271 (1)(c)	5,350,250	2,700,000	Assessment Year 2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	2,365,270	-	Assessment Year 2012-13	Commissioner of Income tax (Appeals)

- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder. Accordingly, the provisions of clause 3(vii)(c) of the Order are not applicable.
- (viii) The Company has been registered for a period of less than five years. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company has no dues payable to a financial institution or a bank or debenture-holders during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable.
- (xi) The Company did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.

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

(xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

*Walker Chandiook & Co LLP*  
For **Walker Chandiook & Co LLP**  
*(formerly Walker, Chandiook & Co)*  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

*Nitin Kohli*  
per **Nitin Kohli**  
Partner  
Membership No.: 507771



**Place** : Gurgaon

**Date** : May 18, 2015

**DLF South Point Limited**  
**Balance Sheet as at March 31, 2015**


		(Amount in ₹)
	As at	As at
	March 31, 2015	March 31, 2014
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' fund</b>		
Share capital	3 40,000,000	40,000,000
Reserves and surplus	4 70,583,646	73,001,181
	<u>110,583,646</u>	<u>113,001,181</u>
<b>Non-current liabilities</b>		
Other long-term liabilities	5 11,477,633	10,264,706
	<u>11,477,633</u>	<u>10,264,706</u>
<b>Current liabilities</b>		
Trade payables	6 12,025,259	14,824,706
Other current liabilities	7 17,937,081	167,075,426
Short-term provisions	8 -	34,060,738
	<u>29,962,340</u>	<u>215,960,870</u>
	<u>152,023,619</u>	<u>339,226,757</u>
<b>Assets</b>		
<b>Non-current assets</b>		
Deferred tax assets	9 2,140,634	1,757,416
Long-term loans and advances	10 16,634,928	11,897,590
	<u>18,775,562</u>	<u>13,655,006</u>
<b>Current assets</b>		
Inventories	11 115,499,009	127,043,380
Trade receivables	12 7,538,678	10,900,937
Cash and bank balances	13 8,613,290	12,916,394
Short-term loans and advances	14 1,312,517	410,678
Other current assets	15 284,563	174,300,362
	<u>133,248,057</u>	<u>325,571,751</u>
	<u>152,023,619</u>	<u>339,226,757</u>

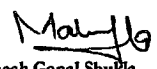
Significant accounting policies

2


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

For and on behalf of the Board of Directors


  
**Arun Kumar Bhagat**  
 Director  
 (DIN: 00012837)

  
**Mahesh Gopal Shukla**  
 Director  
 (DIN: 02455964)

This is the Balance Sheet referred to in our report of even date

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

Place : Gurgaon  
 Date : May 18, 2015

  
 per **Nitin Kohli**  
 Partner

Regd. Office: DLF Centre, Sansad Marg, New Delhi-110001  
 CIN: U70109DL2013PLC259262




PLC


**DLF South Point Limited**  
**Statement of Profit and Loss for the year ended March 31, 2015**

		(Amount in ₹)	
	Note	For the year ended March 31, 2015	For the period October 17, 2013 to March 31, 2014
<b>Income</b>			
Revenue from operations	16	24,883,902	191,616,132
Other income	17	184,672	-
		<b>25,068,574</b>	<b>191,616,132</b>
<b>Expenses</b>			
Cost of constructed properties	18	(2,001,990)	(255,600)
Decrease in inventories	19	11,544,371	76,589,536
Finance cost	20	2,020,884	14,978
Depreciation	21	79,281	146
Other expenses	22	15,715,529	7,274,590
		<b>27,358,075</b>	<b>83,623,650</b>
<b>(Loss)/ profit before tax</b>		<b>(2,289,501)</b>	<b>107,992,482</b>
<b>Tax expense</b>			
Income tax			
Current year		-	35,319,195
Earlier years		511,251	-
Deferred tax credit		(383,217)	(327,894)
<b>(Loss)/ profit after tax</b>		<b>(2,417,535)</b>	<b>73,001,181</b>
<b>Loss/ earnings per share (₹)</b> (Basic and diluted)	23	(0.60)	18.25
Significant accounting policies	2		


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

For and on behalf of the Board of Directors

  
Arun Kumar Bhagat  
Director  
(DIN: 00012837)

  
Mahesh Gopal Shukla  
Director  
(DIN: 02455964)

This is the Statement of Profit and Loss referred to in our report of even date.

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

Place : Gurgaon  
Date : May 18, 2015

  
per Nitin Kohli  
Partner

Regd. Office: DLF Centre, Sansad Marg, New Delhi-110001  
CIN:U70109DL2013PLC259262



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