

**MG HOMECRAFT LLP**  
**F.Y. 2014-2015**

**AUDITOR'S REPORT**

To,  
The Partners of M/s MG HOMECRAFT LLP

We have audited (for Income Tax purpose) the accompanying financial statements of M/s MG Homecraft LLP, which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit & Loss, Cash Flow Statement for the year ended on that date annexed thereto and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

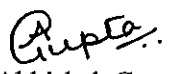
In our opinion and to the best of our information and according to the explanations given to us, the financial statements are prepared, in all material aspects, in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015 ;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;  
and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



Place: New Delhi  
Date: 18<sup>th</sup> May, 2015

For **B. CHHAWCHHARIA & CO.**  
Chartered Accountants  
Firm registration No: 305123E

  
Abhishek Gupta  
Partner  
Membership No.: 529082

MG HOMECRAFT LLP  
STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2015

Particulars	Notes	AS AT		AS AT	
		31.03.2015		31.03.2014	
		₹	₹	₹	₹
<b>CONTRIBUTION AND LIABILITIES</b>					
<b>Partners' Funds</b>					
Contribution	1	100,000		100,000	
Current Account		399,180	499,180	451,826	551,826
<b>Current Liabilities</b>					
Trade Payables	2	-		1,123	
Other Current Liabilities	3	28,090		28,090	
Short-term Provisions	4	(15,834)	12,256	202,100	231,313
			511,436		783,139
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash & Cash Equivalents	5		511,436		783,139
			511,436		783,139
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS	10				

The Notes referred above form an integral part of the accounts.  
In terms of our report of even date attached herewith

For B. CHHAWCHHARIA & CO.  
Chartered Accountants  
Firm Registration No: 305123E

*Abhishek Gupta*

Abhishek Gupta  
Partner  
Membership No: 529082  
Place: New Delhi  
Date: 18th May, 2015

*[Signature]*  
*[Signature]*  
*[Signature]*

Designated  
Partners



MG HOMECRAFT LLP  
STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Notes	2014 - 2015	2013 - 2014
		₹	₹
<b>Income</b>			
Other Income	6	22,340	-
		22,340	-
<b>Expenditure</b>			
<b>Direct Costs:</b>			
Project Expenses	7	-	358,059
Changes in Inventories	8	-	(358,059)
		-	-
Other Expenses	9	74,986	58,169
		74,986	58,169
Profit/(Loss) before extraordinary item and tax		(52,646)	(58,169)
<b>Extraordinary item</b>			
Slump Sale Gain		-	712,095
Profit/(Loss) before tax		(52,646)	653,926
Tax Expenses :			
Current Tax		-	202,100
Profit/(Loss) for the Year after tax		(52,646)	451,826
<b>Appropriation of Profit/(Loss)</b>			
	%		
Ashiana Housing Ltd.	98.5	(51,857)	445,049
Vishal Gupta	0.5	(263)	2,259
Ankur Gupta	0.5	(263)	2,259
Varun Gupta	0.5	(263)	2,259
		(52,646)	451,826

The Notes referred above form an integral part of the accounts.

In terms of our report of even date attached herewith

For **B. CHHAWCHHARIA & CO.**

Chartered Accountants

Firm Registration No: 305123E

*Gupta*

Abhishek Gupta

Partner

Membership No: 529082

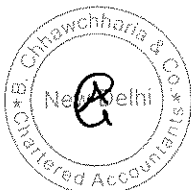
Place: New Delhi

Date: 18th May, 2015

*Varun Gupta*

*Abhishek Gupta*

Designated Partners



**NOTES TO THE ACCOUNTS**

	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
<b>1 PARTNERS' FUND</b>		
<b>a) CONTRIBUTION</b>		
Ashiana Housing Ltd		
Balance B/F	98,500	19,700,000
Net (Dr.)/ Cr. during the year	-	(19,601,500)
	<u>98,500</u>	<u>98,500</u>
Vishal Gupta		
Balance B/F	500	100,000
Net (Dr.)/ Cr. during the year	-	(99,500)
	<u>500</u>	<u>500</u>
Ankur Gupta		
Balance B/F	500	100,000
Net (Dr.)/ Cr. during the year	-	(99,500)
	<u>500</u>	<u>500</u>
Varun Gupta		
Balance B/F	500	100,000
Net (Dr.)/ Cr. during the year	-	(99,500)
	<u>500</u>	<u>500</u>
	<u>100,000</u>	<u>100,000</u>
<b>b) CURRENT ACCOUNT</b>		
Ashiana Housing Ltd		
Balance B/F	445,049	32,552,479
Net (Dr.)/ Cr. during the year	-	(32,552,479)
Share of profit/(loss)	(51,857)	445,049
	<u>393,192</u>	<u>445,049</u>
Vishal Gupta		
Balance B/F	2,259	14,483
Net (Dr.)/ Cr. during the year	-	(14,483)
Share of profit/(loss)	(263)	2,259
	<u>1,996</u>	<u>2,259</u>
Ankur Gupta		
Balance B/F	2,259	14,483
Net (Dr.)/ Cr. during the year	-	(14,483)
Share of profit/(loss)	(263)	2,259
	<u>1,996</u>	<u>2,259</u>
Varun Gupta		
Balance B/F	2,259	14,483
Net (Dr.)/ Cr. during the year	-	(14,483)
Share of profit/(loss)	(263)	2,259
	<u>1,996</u>	<u>2,259</u>
	<u>399,180</u>	<u>451,826</u>
<b>2 TRADE PAYABLES</b>		
Sundry Creditors	-	1,123
	<u>-</u>	<u>1,123</u>
<b>3 OTHER CURRENT LIABILITIES</b>		
Other Liabilities	28,090	28,090
	<u>28,090</u>	<u>28,090</u>



**NOTES TO THE ACCOUNTS**

	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
<b>4 SHORT-TERM PROVISIONS</b>		
For Taxation (Net of advances)	(15,834)	202,100
	<u>(15,834)</u>	<u>202,100</u>
<b>5 CASH AND CASH EQUIVALENTS</b>		
Cash-in-hand	845	-
Balances with Scheduled Banks : In Current Account	510,591	783,139
	<u>511,436</u>	<u>783,139</u>
	2014 - 2015 ₹	2013 - 2014 ₹
<b>6 OTHER INCOME</b>		
Interest on Fixed Deposit (includes TDS ₹ 2,234/-; PY Nil)	22,340	-
	<u>22,340</u>	<u>-</u>
<b>7 PROJECT EXPENSES</b>		
Consumption of construction materials (Indigenous)	-	13,551
Wages	-	21,213
PRW Charges	-	590
Power & Fuel	-	2,000
Other Direct Construction Expenses	-	114,207
Miscellaneous Project Expenses	-	206,498
	<u>-</u>	<u>358,059</u>
<b>8 CHANGES IN INVENTORIES</b>		
<u>Opening Stock :</u>		
Land	-	49,614,218
Work-in-progress	-	2,239,072
	<u>-</u>	<u>51,853,290</u>
<u>Less: Closing Stock:</u>		
Land*	-	49,614,218
Work-in-progress*	-	2,597,131
	<u>-</u>	<u>52,211,349</u>
	<u>-</u>	<u>(358,059)</u>
* Net of transfer under slump sale on 01.10.2013		
<b>9 OTHER EXPENSES</b>		
Rent	-	3,000
Rates and Taxes	2,655	15,829
Legal and Professional expenses	24,000	11,236
Auditors' Remuneration :		
For Statutory Audit	28,090	28,090
For Other Services	6,742	-
Miscellaneous expenses	13,499	14
	<u>74,986</u>	<u>58,169</u>



10 NOTES ON ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES

a) SYSTEM OF ACCOUNTING :

The LLP adopts accrual basis of accounting in the preparation of accounts.

b) INVENTORIES :

Inventories are valued as follows:

a) Construction Material

At Lower of cost and net realizable value. However, materials and other items are not written down below cost if the constructed units in which they are used are expected to be sold at or above cost. Cost is determined on FIFO basis.

b) Land

At Lower of cost and net realizable value.

c) Unsold Completed Construction and Work in Progress

At Lower of cost and net realizable value. Cost includes direct materials, labour and Project specific direct and indirect expenses.

c) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates/ assumption to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known/ materialised.

2 In accordance with Accounting Standard 17 "Segment Reporting" as issued by ICAI, the LLP has determined its business segment as Real Estate Business. Since there are no other business segments in which the LLP operates, there are no other primary reportable segments. Therefore, the segment revenue, segment results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as is reflected in the financial statements.

3 Related parties and transactions with them as specified in the Accounting Standard 18 on "Related Parties Disclosures" issued by ICAI has been identified and given below on the basis of information available with the LLP and the same has been relied upon by the auditors.

Related Parties & Relationship

Transactions

a) Enterprises that directly, or indirectly through one or more intermediaries, Control or are controlled by or are under common control with the LLP (including holding companies, subsidiaries and fellow Subsidiaries) :

		<u>2014-2015</u>	<u>2013-2014</u>
		₹	₹
i) Ashiana Housing Limited.	Establishment Charges	13,484	3,000
	Year end payable/(Receivable)	Nil	Nil

4 Previous year figure have been regrouped/rearranged, wherever found necessary.

Signatures to Notes 1 to 10

In terms of our report of even date attached herewith

For B. CHHAWCHHARIA & CO.  
Chartered Accountants  
Firm Registration No: 305123E

*Gupta*

Abhishek Gupta  
Partner  
Membership No: 529082  
Place: New Delhi  
Date: 18th May, 2015

*[Handwritten Signatures]*

Designated Partners



MG HOMECRAFT LLP

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	2014-2015	2013-2014
	₹	₹
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax and extraordinary items	(52,646)	(58,169)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<u>(52,646)</u>	<u>(58,169)</u>
Adjusted for :		
Trade and other receivables	-	4,305
Inventories	-	51,854,355
Trade Payables and other current liabilities	(219,057)	96,125
<b>CASH GENERATED FROM OPERATIONS</b>	<u>(271,703)</u>	<u>51,896,616</u>
Direct Taxes paid / adjusted	-	(202,100)
Cash flow before extra ordinary items	(271,703)	51,694,516
Extra Ordinary items	-	712,095
<b>Net cash from Operating activities (A)</b>	<u><b>(271,703)</b></u>	<u><b>52,406,611</b></u>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Sale of Fixed Assets	-	131,195
<b>Net Cash from investing activities (B)</b>	<u>-</u>	<u><b>131,195</b></u>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Contribution/(withdrawals) from partners	-	(52,495,928)
<b>Net Cash from Financing activities (C)</b>	<u>-</u>	<u><b>(52,495,928)</b></u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+ B+ C)</b>	<b>(271,703)</b>	<b>41,878</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>783,139</b>	<b>741,261</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>511,436</b>	<b>783,139</b>

01. Cash and Cash equivalents represent cash and bank balances only.

In terms of our report of even date attached herewith

For B. CHHAWCHHARIA & CO.  
Chartered Accountants  
Firm Registration No: 305123E

*Gupta*

Abhishek Gupta  
Partner

Membership No: 529082

Place: New Delhi

Date: 18th May, 2015

*[Signatures]*

Designated Partners

