



## DIRECTORS' REPORT

**Dear Members,**

The Board of Directors of your Company is pleased to present its 23<sup>rd</sup> Annual Report together with the Audited Financial Statements of the Company for the financial year ended March 31, 2019.

### Financial Performance

The highlights of financial performance of your Company (on standalone basis) for financial year ended on March 31, 2019 are as under:

(Amount in Rs. and in Lakh)

Particulars	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Revenue from Operations	1,207.63	3,322.73
Other Income	14,554.39	1,411.25
Total Revenue	15,762.02	4,733.98
Total Operating Expenditure excluding Interest, Depreciation and Amortization	33,657.37	2,509.72
Finance Cost	10,040.68	555.26
Depreciation and Amortization expenses	25.18	18.44
Total Expense	43,723.23	3,083.42
Profit / (Loss) before tax	(27,961.21)	1,650.56
Tax Expense / (Credit)	2,072.39	128.15
Net Profit / (Loss) for the year	(25,888.82)	1,778.71
Net Worth	2,25,219.12	31,530.82
Debt Equity Ratio	0.66	0.84
Liquidity Ratio		
(i) Current Ratio	1.87	1.80
(ii) Quick Ratio	1.46	1.45

As reported above, the total revenue during the financial year ended on March 31, 2019, stood at Rs. 12,07,63,000/- (Rupees Twelve Crore Seven Lakh Sixty-Three Thousand Only) as compared to Rs. 33,22,73,000/- (Rupees Thirty-Three Crore Twenty-Two Lakh Seventy-Three Thousand Only) during the previous financial year. The Company incurred a net loss of Rs. 2,58,88,82,000/- (Rupees Two Hundred Fifty-Eight Crore Eighty-Eight Lakh Eighty Two Thousand Only) during the financial year under review as compared to loss of Rs. 17,78,71,000/- (Rupees Seventeen Crore Seventy-Eight Lakh Seventy One Thousand Only) during the previous financial year. The net worth of the Company has

been increased as compared to the previous year i.e. from Rs. 3,15,30,82,000/- (Three Hundred Fifteen Crore Thirty Lakh Eighty-Two Thousand Only) to Rs. 22,52,19,12,000 (Twenty-Two Hundred Fifty-Two Crore Nineteen Lakh Twelve Thousand Only) and Liquidity Ratio of the



Company has also increased from previous year. Hence the Company is a assets and cash rich Company with minimum debt. The Company is having very strong financial health and expected long-term sustainability.

### **Business and Operations**

The Company is principally engaged in the business of promotion, construction, development and sale of integrated townships, residential and commercial multi storied buildings, houses, flats, shopping malls, etc.

### **Material Changes Affecting Financial Position**

There are no material changes and commitments, affecting the financial position of the Company which has occurred since the end of the financial year i.e. March 31, 2019.

Although Corporate Restructuring of Emaar MGF Land Limited by way of Demerger has been approved by the National Company Law Tribunal, New Delhi ('NCLT') vide its orders dated January 8, 2018 and July 16, 2018, the details of which forms part of this report. Such Demerger will result in transfer of an undertaking, being part of the construction and development business of Emaar MGF Land Limited ("Demerged Company") to MGF Developments Limited ("Resulting Company"), as provided in the Demerger Scheme approved by NCLT.

Hence, the Demerger would lend greater focus on the operation of the Company's businesses/ projects and enable further growth and expansion of each business/project. The reorganization of these businesses/ projects will also enable focused leadership that is required by these businesses/ projects which in turn will allow the businesses to undertake future expansion strategies for overall benefits.

The Board of Directors believe that the Demerger will have beneficial results for the shareholders, creditors, customers, employees and all concerned stakeholders of the Company.

### **Corporate Restructuring plan in the form of Scheme of Demerger of the Emaar MGF Land Limited**

The Board of Directors of the Company at its meeting held on May 11, 2016, have approved (subject to approval of the shareholders and creditor) of the Company and relevant regulatory authorities), demerger of the Company pursuant to a Scheme of Arrangement (Demerger) under Section 391-394 of the Companies Act, 1956, hereinafter referred to as Scheme. The said Scheme has also been filed with the Hon'ble High Court of Delhi on May 16, 2016.

The Scheme was thereafter approved by the Equity Shareholders, Secured Creditors (including secured debenture holders) and Un-secured Creditors (including un-secured debenture holders) of the Company and the Resulting Company.

In December 2016, in terms of the notification No. D.L.-33004/99 dated 07.12.2016, issued by the Ministry of Corporate Affairs, all matters under Sections 391(2) & 394; 100 to 104 of the Companies Act 1956, were transferred to the Principal Bench, National Company Law Tribunal, New Delhi

('NCLT') for further proceedings, in accordance with law.

The Scheme provides for the demerger of an undertaking, being part of the construction and development business of Emaar MGF Land Limited ("Demerged Company") to MGF Developments



Limited (“Resulting Company”), and consequent issue of shares by the Resulting Company to the shareholders of the Demerged Company, except to the extent shares held by the Resulting Company in the Demerged Company.

That the salient features of the Scheme of Arrangement are, inter alia, as follows:

- a. fixed assets (including information technology equipment, furniture, fixture and fittings) exclusively related to the Demerged Undertaking and capital expenditure on such fixed assets incurred by the Demerged Company to be transferred to the Resulting Company, as per the Scheme of Arrangement;
- b. other assets, including current and non-current assets, investments, cash and bank balances (including, for the purposes of clarification, bank accounts related thereto) related to the projects to be transferred to the Resulting Company, as per the Scheme of Arrangement;
- c. the legal and beneficial interests in the shares of companies as per the Scheme of Arrangement;
- d. all development rights relating to, in respect of, or connected with the land and all development rights in the projects comprised in the assets, as set out in the Scheme of Arrangement, including all monies applied by the Demerged Company towards accounting for such rights.
- e. the debts, duties, obligations and liabilities (including all future liabilities in relation to the Demerged Undertaking, contingent liabilities/ claims) relatable to the Demerged Undertaking, as per the Scheme of Arrangement, will be transferred to and vest in the Resulting Company.
- f. all employees employed/engaged in the Demerged Undertaking as; on the date of approval of the Scheme by the Hon’ble Court, including all their related benefits like gratuity, provident fund, etc. and jail liabilities relating to such employees from the Appointed Date;
- g. Upon the Scheme coming into effect, the issued, subscribed and paid up share Capital of the Demerged Company shall stand reduced from the; present Rs. 912,61,98,450 divided into 91,26,19,845 Equity Shares of Rs. 10 each fully paid-up to Rs. 91,26,19,850 divided into 9,12,61,985 Equity Shares of Rs. 10 each fully paid up.
- h. The Resulting Company will issue 9 (nine) Equity Share of Rs. 10 each, credited as fully paid-up, to the shareholders of the Demerged Company for every 416 (four hundred sixteen) Equity Shares of Rs. 10 each held in the Demerged Company.
- i. The aforesaid reduction in the subscribed, issued and paid up equity share capital of the Demerged Company, shall be effected on a proportionate basis in proportion to the shares held, on the record date by the shareholders, such that the Demerged Company shall extinguish 9 (nine) Equity Shares of Rs. 10 each held by each of its shareholders, for every 10 (ten) Equity Shares of Rs 10 each held in the Demerged Company by such shareholders.
- j. Subject to consent of the debenture holders, in so far as the 22,600 Non-Convertible Debentures of the face value of Rupees One Million (INR 1,000,000) each issued by the Demerged Company, upon coming into effect of the Scheme, the face value of each such debentures shall without further act or deed be reduced by Rs. 3,07,876 (Rupees three hundred seven thousand eight hundred seventy six) such that the face value of each such debenture shall stand reduced to Rs. 6,92,124 (Rupees six hundred ninety two thousand one hundred twenty four). Simultaneously and without any further act or deed, and without payment of any further amount to the Resulting Company, the holders of the aforesaid debentures shall be entitled to an equivalent number of



fully paid debentures of the face value of Rs. 3,07,876 (Rupees three hundred seven thousand eight hundred seventy six) each by the Resulting Company. At the time of redemption, the liability in respect of the debentures of the Demerged Company as aforesaid shall be Rs. 6,92,124 (Rupees six hundred ninety two thousand one hundred twenty four) per debenture, and the liability in respect of the debentures of the Resulting Company shall be Rs. 3,07,876 (Rupees three hundred seven thousand eight hundred seventy six) per debenture. The above shall be subject to Applicable Law and the terms of the Scheme, listing and/or admitted to trading on the relevant stock exchange in India where the debt securities are listed and/or admitted for trading and the Demerged Company and the Resulting Company will make necessary filings to the Stock Exchange in relation to the same.

- k. Save as above, terms and conditions of other debentures (Secured and Un-secured) issued by the Demerged Company will remain the same.
- l. Appointed Date for the Scheme of Arrangement is 30th September, 2015 and pursuant to the provision of Companies Act, 2013, the Effective Date is July 16, 2018.

Further, on June 3, 2019, the Company has filed an application before the NCLT under Section 231 of the Companies Act, 2013 for enforcement of the Demerger Scheme (including but not limited to execution of document relating transfer of assets, guarantee(s), etc.). Such application, inter-alia seeks directions of NCLT to ask Emaar MGF Land Limited to execute/perform various steps for implementation of Scheme and to appoint an officer of Court to supervise/assist in the implementation of Scheme. The matter is further listed on September 16, 2019 before NCLT.

### **Dividend**

Considering the future needs of the Company for expansion and growth and to strengthen the financial position of the Company, your directors do not recommend any dividend for the financial year ended 31<sup>st</sup> March, 2019.

### **Share Capital**

During the year, there has been no change in the Paid-Up Share Capital of the Company and the present Paid-Up Share Capital is Rs. 59,76,50,700/- (Rupees Fifty-Nine Crore Seventy-Six Lac Fifty Thousand Seven Hundred Only), divided into 5,97,65,070 (Five Crore Ninety-Seven Lac Sixty-Five Thousand Seventy Only) equity shares of Rs. 10/- (Rupees Ten Only) each.

However, pursuant to the Demerger Scheme approved by NCLT, as on the Effective Date i.e. July 16, 2018 and Clause 9.6 of the said scheme, the authorised share capital of Emaar MGF Land Limited to the extent of Rs. 100,00,00,000/- (Rupees One Hundred Crores Only) was to be transferred to MGF Developments Limited.

In view of the same, the authorised share capital of the Company stands increased from the existing Rs. 60,00,00,000/- (Rupees Sixty Crores Only) to Rs. 160,00,00,000/- (Rupees One Hundred Sixty Crores Only) and that the same has been intimated to the Registrar of Companies, NCT of Delhi and Haryana vide letter dated September 04, 2018 for updating of Master data of the Company on Ministry of Corporate Affairs website regarding the same. However, as on the date of this report, the master data of the Company is not updated in the record of Ministry of Corporate Affairs.





### **Subsidiaries, Joint Ventures and Associates**

The Company has 24 subsidiaries and 7 associate companies as on 31<sup>st</sup> March, 2019. We have, in accordance with Section 129(3) of the Companies Act, 2013.

In the above mentioned 20 Companies and 2 associate companies are parts of scheme of demerger and as mentioned earlier, the matter is pending before Hon'ble NCLT, Delhi for implementation of Scheme filed the Company.

Further, the report on the performance and financial position of each of the subsidiaries and associates and salient features of the financial statements in the prescribed Form AOC-1 is annexed to this report as **Annexure - 1**.

### **Directors / Key Managerial Personnel**

During the financial year, the following changes were made in the Directorship/ Management of the Company:

1. Ms. Khushboo Goel was appointed as an Additional Director (in the capacity of Independent Director) on July 12, 2018 and on the same date, Mr. Ratan Kumar Thakur resigned from the Directorship of the Company.
2. Ms. Sweety Tripathi was appointed as an Additional Director (in the capacity of Independent Director) on December 10, 2018 and on the same date, Ms. Khushboo Goel resigned from the Directorship of the Company.

However, after the financial year 2018-19, following changes took place in the Directorship/ Management of the Company:

Mrs. Shilpa Gupta resigned from the directorship of the Company w.e.f. April 01, 2019.

### **Meetings of Board / Committees**

Details of the meetings of Board / Committees of the Company, held during the financial year 2018-19 are as under:

S. No.	Date of Meetings			
	Board Meetings	Audit Committee Meetings	CSR Committee Meetings	Nomination & Remuneration Committee
1	April 9, 2018	September 04, 2018	February 11, 2018	July 12, 2018
2	April 17, 2018	-	-	December 10, 2018
3	May 23, 2018	-	-	-
4	June 5, 2018	-	-	-
5	July 6, 2018	-	-	-
6	July 10, 2018	-	-	-
7	July 12, 2018	-	-	-
8	August 13, 2018	-	-	-
9	August 29, 2018	-	-	-
10	September 4, 2018	-	-	-



11	September 10, 2018	-	-	-
12	September 27, 2018	-	-	-
13	October 1, 2018	-	-	-
14	October 31, 2018	-	-	-
15	November 16, 2018	-	-	-
16	December 4, 2018	-	-	-
17	December 10, 2018	-	-	-
18	January 10, 2019	-	-	-
19	January 21, 2019	-	-	-
20	February 11, 2019			
21	March 25, 2019			
22	March 31, 2019			
<b>Total No. of Meetings</b>	<b>22</b>	<b>1</b>	<b>1</b>	<b>2</b>

The attendance status of the Directors in the abovementioned Board / Committee Meetings is as under:

Name of Directors	Number of Meetings			
	Board Meetings	Audit Committee Meetings	CSR Committee Meetings	Nomination & Remuneration Committee
Mr. Shravan Gupta	7	-	1	-
Mrs. Shilpa Gupta	10	-	-	-
Mr. Arun Mitter	22	1	1	2
Mr. Rakshit Jain	22	-	-	-
Ms. Pragati Sachdeva	22	1	1	2
Mr. Ratan Kumar Thakur	6	-	-	1
Ms. Khushboo Goel	10	1	-	1
Ms. Sweety Tripathi	6	-	-	-

### **Directors' Responsibility Statement**

Your Directors state that:

- in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;



- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the 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 are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **Declaration by Independent Directors**

All the Independent Directors of the Company have submitted the requisite declaration under Section 149(7) that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013.

#### **Nomination & Remuneration Committee**

Pursuant to Section 178 of the Companies Act, 2013, the Company has constituted a Nomination & Remuneration Committee, further, the composition of the committee has been changed as Ms. Khushboo Goel resigned from the directorship of the Company, hence, cease to be member of the Committee also and Ms. Sweety Tripathi appointed as an Independent Director of the Company and become member of this Committee and the current composition of the Committee is as under:

<b>S. No.</b>	<b>Name of the Member</b>	<b>Designation</b>
1.	Mr. Arun Mitter (Chairman)	Non-Independent Non-Executive Director
2.	Ms. Pragati Sachdeva	Independent Director
3.	Ms. Sweety Tripathi	Independent Director

The Nomination & Remuneration Committee has also formulated and recommended to the Board, a Nomination & Remuneration Policy for determining qualifications & positive attributes to identify a person to become a Director / Independent Director/ Key Managerial Person or who can be appointed in senior management, for remuneration of Director/ Key Managerial Person / other employees and for the evaluation of their performance.

Further, your Company conducts effectiveness review of the Board as part of its efforts to evaluate, identify improvements and thus enhance the effectiveness of the Board of Directors, its Committees, and individual directors.

During the year, the Committee had approved the following appointments:

- i. Appointment of Ms. Khushboo Goel as an Additonal Director (in the capacity of Independent Director) on July 12, 2018.
- ii. Appointment of Ms. Sweety Tripathi as an Additonal Director (in the capacity of Independent Director) on December 10, 2018.



### **Audit Committee**

Pursuant to Section 177 of the Companies Act, 2013, the Company has constituted an Audit Committee, further, the composition of the committee has been changed as Ms. Khushboo Goel resigned from the directorship of the Company, hence, cease to be member of the Committee also and Ms. Sweety Tripathi appointed as an Independent Director of the Company and become member of this Committee, and the current composition of the Committee is as under:

<b>S. No.</b>	<b>Name of the Member</b>	<b>Designation</b>
1.	Mr. Arun Mitter (Chairman)	Non-Independent Non-Executive Director
2.	Ms. Pragati Sachdeva	Independent Director
3.	Ms. Sweety Tripathi	Independent Director

The roles and responsibilities of the Audit Committee are in terms of Section 177 of the Companies Act, 2013.

All the recommendations made by the Audit Committee were accepted by the Board.

### **Auditors**

#### **1. Statutory Auditors**

The Auditor M/s. Raj Jha & Associates, Chartered Accountants (FRN: 027344N), were appointed as Statutory Auditor of the Company for Financial Year 2018-19 to fill the casual vacancy caused by the resignation of M/s. Rupali Maria & Co, Chartered Accountants (FRN: 033172N).

Further, the Company has proposed M/s. Raj Jha & Associates, Chartered Accountants (FRN: 027344N), to act as statutory auditors of the Company, for 5 years (from F.Y. 2019-20 to F.Y. 2023-24) and the proposed auditors have given their consent for the same.

In the view of above, the Board recommend the same in ensuing Annual General Meeting of the Company for approval of shareholders of the Company.

#### **2. Cost Auditors**

As per Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. In this connection, the Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of M/s. Sarat Mondal & Co., Cost Accountants (Firm Registration No. 24642), as Cost Auditors of the Company for conducting Cost Audit of the Company for the financial year 2019-20.

#### **3. Secretarial Auditor**

As per Section 204 of the Companies Act, 2013 inter-alia requires to annex with its Board's Report, a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form.

The Board had appointed M/s Grover Ahuja & Associates, Company Secretaries, as Secretarial Auditors to conduct Secretarial Audit for the financial year 2018-19 and their report is annexed to this Board Report as **Annexure -2**.



The Secretarial Auditors in their Report has observed that the Company has made delay in filing of various forms with Registrar of Companies, in this regard management has considered the matter and the Company inadvertently made delay in filing the same. Further instructed concerned departments of the Company to file various forms in future on time unless there are exceptional circumstances.

### **Statutory Auditors' Report**

There are no qualifications/ reservations/ adverse remarks or disclaimers made by the statutory auditors in their report.

### **Extract of the Annual Return**

The details forming part of the extract of the Annual Return in Form MGT 9 as per provisions of Companies Act, 2013 and rules thereto is annexed to this report as **Annexure – 3.**

### **Loans, Guarantees or Investments**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given under Notes to the Financial Statements.

### **Deposits**

During the year under review, the Company has not invited or accepted any deposits under Companies Act, 2013.

### **Related Party Transactions**

Details of disclosure of related party transactions covered under the provisions of Section 188 of the Companies Act, 2013 are given under Notes to the Financial Statements.

There have been no materially significant related party transactions between the Company and the related parties, except for those disclosed in the financial statements. Further, during the financial year 2018-19, the Company had not entered into any new contract/ arrangement with related parties, as specified under Section 188(1) of the Companies Act, 2013.

### **Internal Financial Controls**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

### **Corporate Social Responsibility**

The Company has constituted Corporate Social Responsibility Committee (“CSR Committee”) by the Board of Directors of the Company in its meeting held on November 07, 2014, and the current composition of the Committee is as under:

**MGF Developments Limited**  
CIN NO.: U74899DL1996PLC081965  
MGF House, 17-B, Asaf Ali Road, New Delhi-110 002  
Ph.: +91-11-42322200, 23272216/18, Fax: +91-11-23280388  
Website : www.mgfindia.com



S. No.	Name of the Member	Designation
1	Mr. Arun Mitter (Chairman)	Non-Independent Non-Executive Director
2	Mr. Shравan Gupta	Non-Independent Non-Executive Director
3	Ms. Pragati Sachdeva	Independent Director

Further, the Company had incurred the following expenditure for CSR activities in compliance of balance amount of expenditure which was to be incurred in the previous financial years in FY 2014-15, 2015-16 and 2016-17:

Particulars	Amount (in Rs.)
<b>Total Balance amount of expenditure to be incurred in FY 2014-15, 2015-16 and 2016-17 for CSR activities</b>	<b>45,00,035</b>
Less: Expenditure incurred in FY 2017-18	6,00,000
<b>Less: Expenditure incurred on CSR activities 2018-19 (Till September 3, 2018)</b>	
Khushi	6,00,000
FCS Foundation	37,00,000
<b>Balance amount to be incurred in FY 2018-19</b>	<b>Nil</b>

In pursuant of compliance of the provisions of Section 135 of the Companies Act, 2013 in respect of aforesaid previous financial years' balance amount of unspent expenditure of CSR activities, the Company had incurred the full amount as requisite for CSR activities in the said periods.

Further, for financial year 2018-19, the Company was required to incur the total amount of Rs. 9,42,442/- (Rupees Nine Lakh Forty Two Thousand Four Hundred Forty Two Only) details of which are mentioned below:

<b>CSR calculation for the financial year ended on 31st March, 2019</b>	
<b>Average Net Profit (Before Tax) of Last Three Years calculated according to Section 198 of Companies Act</b>	
	<b>Amount (in Rs.)</b>
<b>FY 2015-16</b>	4,74,21,530
<b>FY 2016-17</b>	3,92,04,227
<b>FY 2017-18</b>	5,47,40,584
	<b>14,13,66,341</b>
Average Net Profit (Before Tax) of Last Three Years	<b>4,71,22,114</b>
<b>2% average Net Profit (Before Tax) of Last Three Years</b>	<b>9,42,442</b>

Since the Company owes for the betterment of the society and should also take into account economic, social, and environmental factors, therefore, Rs. 20,00,000 (Rupees Twenty Lakh Only) were incurred by the Company for CSR activities during the F.Y. 2018-19 for various CSR activities of the Company, the details of expenses incurred on CSR activities is enclosed in the Annual Report on CSR and marked as **Annexure - 4**.





### **Risk Management**

The Company does not develop any Risk Management policy as the elements of risk threatening the Company's existence are very minimal.

### **Vigil Mechanism**

During the financial year, the Company does not fall under the class of companies mentioned in the section 177(9) of the Companies act, 2013.

### **Significant & Material Orders Passed by the Regulators/ Courts/ Tribunals**

During the year under review, no significant & Material Orders passed by the Regulators/ Courts/ Tribunals except the following::

1. National Company Law Tribunal (NCLT) had passed the Compounding Order vide CP No. C.P.278/ 441/ ND/ 2018 Dated September 26, 2018 for Compounding of the offence under section 148(6) of the Companies Act, 2013 for not filing the Cost Audit Report for the F.Y. 2015-16.
2. National Company Law Tribunal (NCLT) had passed the Compounding Order vide CP No. 411/ 441/(ND)/2018 Dated December 20, 2018 for Compounding of the offence under section 134(3)(o) of the Companies Act, 2013 for failing to disclose the reason for not spending amount in CSR activities in the Directors' Report for the F.Y. 2014-15, 2015-16 & 2016-17.

### **Investor Education & Protection Fund**

During the year under review, the Company was not liable to deposit any amount to the Investor Education and Protection Fund.

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

#### **(A) Conservation of energy-**

Since the Company is not engaged in any manufacturing activity, the particulars are not applicable.

#### **(B) Technology absorption-**

Since the Company is not engaged in any manufacturing activity, the particulars are not applicable



**(C) Foreign exchange earnings and Outgo-**

During the financial year, the Foreign Exchange used and earned by the Company is as under:

<b>Particulars</b>	<b>Amount in INR</b>	
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Expenses on Professional Fee	7,40,16,454.97	4,94,15,175.00
Expenses on Foreign Travel	17,36,726.00	31,77,448.66
Earning by way Sale of Equity Shares of North Delhi Metro Mall Private Limited	22,92,71,252	-

**MANAGERIAL REMUNERATION/ PARTICULARS OF THE EMPLOYEES**

The Company does not have any employees falling under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and hence this provision is not applicable.

**OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

As a part of the policy for Prevention of Sexual Harassment in the organization, the Company has in place an Internal Complaints Committee for prevention and redressal of complaints of sexual harassment of women at work place in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 and relevant rules thereunder. No complaints were received by the Committee during the period under review.

**ACKNOWLEDGEMENT**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

**For and on behalf of the Board of Directors  
MGF Developments Limited**

Sd-  
**Arun Mitter**  
**Director**  
**DIN: 00022941**  
**Address: C-29, May Fair Garden,**  
**New Delhi-110016**

Sd-  
**Rakshit Jain**  
**Director and Chief Executive Officer**  
**DIN: 00607288**  
**Address: C-14, First Floor,**  
**Green Park Extension, New Delhi-110016**

**Date: September 05, 2019**  
**Place: New Delhi**

AOC-1																		
Sr. No.	Name of the Company	Section	Nature	Share Holding No. of equity shares	Share Holding No. of Preference shares	Extent of Holding (%)	Paid Up Capital	Preference share Capital	Reserves	Net Worth	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before Tax	Provision for Tax	Profit/(Loss) after Tax	Proposed Dividend
1	Crimson Holdings Private Limited	2(87)(ii)	Subsidiary	30,000	0	75%	4,00,000	0	-4,12,237	-12,237	4,400	16,637	-	-	13,767	-	13,767	0
2	Kayo Developers Private Limited	2(87)(ii)	Subsidiary	10,000	0	100%	1,00,000	0	-32,363	67,637	34,92,65,637	34,91,98,000	-	-	-	-	-	0
3	Sarniethi Real Estate Private Limited	2(87)(ii)	Subsidiary	10,000	0	100%	1,00,000	0	-10,91,739	-9,91,739	10,35,18,471	10,45,10,210	-	-	-6,05,584	-	-6,05,584	0
4	MGFD Ventures Private Limited	2(87)(ii)	Subsidiary	10,000	0	100%	1,00,000	0	-6,15,439	-5,15,439	8,96,57,061	9,01,72,500	-	-	-5,98,535	-	-5,98,535	0
5	Discovery Holdings Private Limited	2(6)	Associate	49,850	0	49.80%	10,00,000	0	6,57,33,930	6,67,33,930	9,33,59,690	2,63,93,957	-	43,70,537	34,63,669	-45,37,919	80,01,588	0
6	VMR Promoters Private Limited	2(6)	Associate	25,00,000	0	50%	5,00,00,000	0	-57,35,703	4,42,64,297	7,51,88,220	3,09,23,923	-	-	-2,27,347	-	-2,27,347	0
7	SSP Aviation Limited	2(6)	Associate	5,20,300	0	26.01%	2,00,00,000	0	-46,12,24,722	-44,12,24,722	42,48,75,797	86,61,00,519	9,96,08,450	-	-1,51,062	-	-1,51,062	0
8	MGF Promotions & Events Private Limited	2(6)	Associate	50,000	0	50%	10,00,000	0	2,10,99,065	2,20,99,065	2,44,23,522	23,24,457	-	21,49,626	-13,28,748	1,898	-13,26,850	0
9	MGF Estates Management Private Limited	2(6)	Associate	50,000	0	50%	10,00,000	0	-3,01,61,304	-2,91,61,304	9,20,59,940	12,05,45,772	-	20,14,02,666	97,52,612	8,33,137	89,11,003	0
10	Tushar Projects Private Limited	2(87)(ii)	Subsidiary	10,000	0	100%	1,00,000	0	-9,88,424	-8,88,424	5,49,48,139	5,58,36,563	-	-	-8,603	-	-8,603	0
11	Cassock Properties Private Limited	2(87)(ii)	Subsidiary	10,000	0	100%	1,00,000	0	-3,70,684	-2,70,684	2,87,76,662	2,90,47,346	-	-	-8,603	-	-13,466	0
12	MG Colonizers Private Limited	2(87)(ii)	Subsidiary	10,000	0	100%	1,00,000	0	-1,72,143	-72,143	2,55,81,141	2,86,53,284	-	-	-13,466	-	-8,687	0
13	Ecstasy Conbuild Private Limited	2(87)(ii)	Subsidiary	20,000	0	100%	2,00,000	0	1,02,68,071	1,04,68,071	1,14,69,990	2,49,679	-	1,12,39,650	13,767	-	13,767	0
14	Gran Propbuild Private Limited	2(87)(ii)	Subsidiary	10,000	0	100%	1,00,000	0	-3,44,454	-2,44,454	4,38,04,470	4,40,48,924	-	-	-11,242	-	-11,242	0
15	Chhavi Buildtech Private Limited	2(87)(ii)	Subsidiary	10,000	0	100%	1,00,000	0	1,14,39,285	1,15,39,285	34,54,13,778	33,38,74,493	-	1,94,42,437	1,94,33,065	49,96,861	1,44,36,204	0
16	Pipalashray Estate Private Limited	2(87)(ii)	Subsidiary	10,000	0	100%	1,00,000	0	18,521	1,18,521	6,32,42,115	6,31,23,594	-	-	-8,999	-	-8,999	0
17	Lifeline Build Tech Private Limited	2(87)(ii)	Subsidiary	10,000	0	100%	1,00,000	0	-3,47,64,964	-3,46,64,964	23,00,15,385	26,46,80,349	-	-	-8,376	-	-8,376	0
18	Easter Conbuild Private Limited	2(87)(ii)	Subsidiary	20,000	0	100%	2,00,000	0	1,10,21,976	1,12,21,976	1,14,72,977	2,51,001	-	10,20,671	10,12,381	2,43,542	7,68,839	0
19	Gait Propbuild Private Limited	2(87)(ii)	Subsidiary	10,000	0	100%	1,00,000	0	-2,96,583	-1,96,583	4,45,01,049	4,46,97,632	-	-	-8,687	-	-8,687	0
20	Avinashi Buildtech Private Limited	2(87)(ii)	Subsidiary	10,000	0	100%	1,00,000	0	-84,428	-15,572	6,45,81,534	6,45,77,054	-	-	-11,092	-	-11,092	0
21	Godson Propbuild Private Limited	2(87)(ii)	Subsidiary	20,000	0	100%	2,00,000	0	1,89,16,384	1,91,16,384	1,91,23,219	6,835	-	27,53,158	4,597	2,729	1,868	0
22	Locus Propbuild Private Limited	2(87)(ii)	Subsidiary	10,000	0	100%	1,00,000	0	-4,58,620	-3,58,620	2,77,16,399	2,80,75,019	-	-	-9,000	-	-9,000	0
23	Spiritual Realtors Private Limited	2(87)(ii)	Subsidiary	10,000	0	100%	1,00,000	0	-75,22,883	-74,22,883	4,07,03,330	4,81,26,213	-	-	-7,670	-	-7,670	0
24	Glimpse Propbuild Private Limited	2(87)(ii)	Subsidiary	10,000	0	100%	1,00,000	0	18,16,630	19,16,630	3,38,10,831	3,18,94,201	-	28,25,317	28,16,033	7,09,918	21,06,115	0
25	Ethic Conbuild Private Limited	2(87)(ii)	Subsidiary	20,001	0	100%	2,00,010	0	2,25,89,496	2,27,89,496	3,79,20,741	1,51,31,245	-	-	-8,998	-	-8,998	0
26	Sukhda Promoters Private Limited	2(87)(ii)	Subsidiary	10,000	0	100%	1,00,000	0	-6,49,554	-5,49,554	5,96,44,332	6,01,93,886	-	-	-8,603	-	-8,603	0
27	Grapeshot Propbuild Private Limited	2(87)(ii)	Subsidiary	20,000	0	100%	2,00,000	0	2,04,45,527	2,06,45,527	2,68,59,104	62,13,577	-	89,41,074	-1,310	-1,193	-2,503	0
28	Mega City Promoters Private Limited	2(87)(ii)	Subsidiary	65,000	0	100%	6,50,000	0	-43,50,247	-37,00,247	26,24,06,597	26,61,06,844	-	-	-8,168	-	-8,168	0
29	Prayas Buildcon Private Limited	2(87)(ii)	Subsidiary	1,00,000	0	100%	10,00,000	0	-51,49,728	-41,49,728	1,46,52,17,644	1,46,93,67,372	-	-	-8,604	-	-8,604	0
30	Acreage Builders Private Limited	2(6)	Associate	1,64,380	0	31.17%	54,48,340	0	2,03,29,93,036	2,03,83,11,138	2,36,10,64,137	32,27,52,999	23,76,64,667	5,49,977	-2,84,75,903	-	-2,84,75,903	0
31	Emaar MGF Construction Private Limited	2(6)	Associate	21,88,102	0	39.89%	5,48,53,390	0	17,85,70,229	23,34,23,619	2,93,78,00,547	2,70,43,76,928	-	2,22,99,733	80,29,018	-	80,29,018	0
32	North Delhi Metro Mall Private Limited		Joint Venture	91,44,053	0	13.72%	66,64,80,000	0	37,80,70,000	1,04,45,50,000	6,10,28,50,000	5,05,83,00,000	33,61,80,000	0	-25,20,000	-12,80,000	-38,00,000	0

<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	U74899DL1996PLC081965
ii	Registration Date	16-Sep-96
iii	Name of the Company	M G F Developments Limited
iv	Category/Sub-category of the Company	Company Limited by Shares
v	Address of the Registered office & contact details	4/17-B, MGF House, Asaf Ali Road, New Delhi 110002
vi	Whether listed company	No
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited Plot No 31 & 32, Selenium Building, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032, Telangana +91 040 – 67162222

**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	Construction	41001	0
2	Renting and leasing of other machinery, equipment and tangible goods n.e.c.	77301	91.61
3	Maintenance service activities	81300	8.39

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

Sl No.	NAME OF THE COMPANY	ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Discovery Estates Private Limited	4/17-B, MGF House, Asaf Ali Road, New Delhi 110002	U51103DL2001PTC111937	Holding	73.41	Section 2(46) of Companies Act, 2013
2	Kayo Developers Private Limited	4/17-B, MGF House, Asaf Ali Road, New Delhi 110002	U45400DL2007PTC170833	Subsidiary	100	Section 2(87) of Companies Act, 2013
3	Samishti Real Estate Private Limited	4/17-B, Asaf Ali Road, New Delhi 110002	U45400DL2014PTC269821	Subsidiary	100	Section 2(87) of Companies Act, 2013
4	Crimson Holdings Private Limited	17-B, MGF House, Asaf Ali Road, New Delhi 110002	U70100DL2010PTC204903	Subsidiary	75	Section 2(87) of Companies Act, 2013
5	MGFD Ventures Private Limited	4/17-B, MGF House, Asaf Ali Road, New Delhi - 110002	U74999DL2018PTC329933	Subsidiary	100	Section 2(87) of Companies Act, 2013
6	Tushar Projects Private Limited	306-308, Square One, C-2, District Centre, Saket New Delhi 110017	U70101DL2006PTC148782	Subsidiary	100	Section 2(87) of Companies Act, 2013
7	Cassock Properties Private Limited	306-308, Square One, C-2, District Centre, Saket New Delhi 110017	U45201DL2006PTC147702	Subsidiary	100	Section 2(87) of Companies Act, 2013
8	MG Colonizers Private Limited	306-308, Square One, C-2, District Centre, Saket New Delhi 110017	U45200DL2006PTC155706	Subsidiary	100	Section 2(87) of Companies Act, 2013
9	Ecstasy Conbuild Private Limited	306-308, Square One, C-2, District Centre, Saket New Delhi 110017	U45400DL2007PTC163144	Subsidiary	100	Section 2(87) of Companies Act, 2013
10	Gran Propbuild Private Limited	306-308, Square One, C-2, District Centre, Saket New Delhi 110017	U45200DL2007PTC157694	Subsidiary	100	Section 2(87) of Companies Act, 2013
11	Chhavi Buildtech Private Limited	306-308, Square One, C-2, District Centre, Saket New Delhi 110017	U70104DL2006PTC152850	Subsidiary	100	Section 2(87) of Companies Act, 2013
12	Pipalashray Estate Private Limited	306-308, Square One, C-2, District Centre, Saket New Delhi 110017	U74999DL2007PTC160053	Subsidiary	100	Section 2(87) of Companies Act, 2013
13	Lifeline Build Tech Private Limited	306-308, Square One, C-2, District Centre, Saket New Delhi 110017	U45201DL2006PTC147624	Subsidiary	100	Section 2(87) of Companies Act, 2013
14	Easter Conbuild Private Limited	306-308, Square One, C-2, District Centre, Saket New Delhi 110017	U45400DL2007PTC163140	Subsidiary	100	Section 2(87) of Companies Act, 2013
15	Gait Propbuild Private Limited	306-308, Square One, C-2, District Centre, Saket New Delhi 110017	U45200DL2007PTC157825	Subsidiary	100	Section 2(87) of Companies Act, 2013
16	Avinashi Buildtech Private Limited	306-308, Square One, C-2, District Centre, Saket New Delhi 110017	U70109DL2006PTC152669	Subsidiary	100	Section 2(87) of Companies Act, 2013
17	Godson Propbuild Private Limited	306-308, Square One, C-2, District Centre, Saket New Delhi 110017	U45200DL2007PTC158082	Subsidiary	100	Section 2(87) of Companies Act, 2013
18	Locus Propbuild Private Limited	306-308, Square One, C-2, District Centre, Saket New Delhi 110017	U45200DL2007PTC159219	Subsidiary	100	Section 2(87) of Companies Act, 2013
19	Spiritual Realtors Private Limited	306-308, Square One, C-2, District Centre, Saket New Delhi 110017	U45201DL2006PTC147532	Subsidiary	100	Section 2(87) of Companies Act, 2013
20	Glimpse Propbuild Private Limited	306-308, Square One, C-2, District Centre, Saket New Delhi 110017	U45200DL2007PTC157927	Subsidiary	100	Section 2(87) of Companies Act, 2013
21	Ethic Conbuild Private Limited	306-308, Square One, C-2, District Centre, Saket New Delhi 110017	U45400DL2007PTC163096	Subsidiary	100	Section 2(87) of Companies Act, 2013
22	Sukhda Promoters Private Limited	306-308, Square One, C-2, District Centre, Saket New Delhi 110017	U70109DL2006PTC151924	Subsidiary	100	Section 2(87) of Companies Act, 2013

23	Grapeshot Propbuild Private Limited	306-308, Square One, C-2, District Centre, Saket New Delhi 110017	U45200DL2007PTC158617	Subsidiary	100	Section 2(87) of Companies Act, 2013
24	Mega City Promoters Private Limited	306-308, Square One, C-2, District Centre, Saket New Delhi 110017	U45201DL2004PTC128387	Subsidiary	100	Section 2(87) of Companies Act, 2013
25	Prayas Buildcon Private Limited	306-308, Square One, C-2, District Centre, Saket New Delhi 110017	U45201DL2006PTC147831	Subsidiary	100	Section 2(87) of Companies Act, 2013
26	Discovery Holdings Private Limited	MGF House, 17-B, Asaf Ali Road, New Delhi 110002	U67110DL1998PTC093629	Associate	49.85	Section 2(6) of Companies Act, 2013
27	VMR Promoters Private Limited	4/17-B, MGF House, Asaf Ali Road, New Delhi 110002	U70109DL2006PTC152110	Associate	50	Section 2(6) of Companies Act, 2013
28	SSP Aviation Limited	MGF House, 17-B, Asaf Ali Road, New Delhi 110002	U45201DL2003PLC118351	Associate	26.02	Section 2(6) of Companies Act, 2013
29	MGF Promotions And Events Private Limited	4/17-B, MGF House, Asaf Ali Road, New Delhi 110002	U74999DL2011PTC221030	Associate	50	Section 2(6) of Companies Act, 2013
30	MGF Estates Management Private Limited	4/17-B, MGF House, Asaf Ali Road, New Delhi 110002	U74140DL2011PTC221910	Associate	50	Section 2(6) of Companies Act, 2013
31	Emaar MGF Construction Private Limited	306-308, Square One, C-2, District Centre, Saket New Delhi 110017	U70109DL2006PTC154556	Associate	39.89	Section 2(6) of Companies Act, 2013
32	Acreage Builders Private Limited	10th Floor, Tower-B Unitech Cyber Park, Sector-39, Gurgaon, Haryana- 122001	U70101HR2010PTC047012	Associate	30.17	Section 2(6) of Companies Act, 2013

## SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

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>	-	-	-	-	-	-	-	-	-
(1) Indian	-	4,074,047	4,074,047	6.81	-	4,074,047	4,074,047	6.81	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	53,846,273	53,846,273	90.10	-	53,846,273	53,846,273	90.10	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL:(A) (1)</b>	-	<b>57,920,320</b>	<b>57,920,320</b>	<b>96.91</b>	-	<b>57,920,320</b>	<b>57,920,320</b>	<b>96.91</b>	-
<b>(2) Foreign</b>	-	-	-	-	-	-	-	-	-
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	-	<b>57,920,320</b>	<b>57,920,320</b>	<b>96.91</b>	-	<b>57,920,320</b>	<b>57,920,320</b>	<b>96.91</b>	-
<b>B. PUBLIC SHAREHOLDING</b>	-	-	-	-	-	-	-	-	-
<b>(1) Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
C) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
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)	-	1,844,750	1,844,750	3.09	-	1,844,750	1,844,750	3.09	-
<b>SUB TOTAL (B)(2):</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	-	1,844,750	1,844,750	3.09	-	1,844,750	1,844,750	3.09	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>59,765,070</b>	<b>59,765,070</b>	<b>100</b>	-	<b>59,765,070</b>	<b>59,765,070</b>	<b>100</b>	-



## (ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during 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	Mrs. Shilpa Gupta	3,175,398	5.31	-	4,054,047	6.78	-	-
2	Mr. Shravan Gupta	898,649	1.50	-	-	-	-	-
3	Discovery Estates Private Limited	23,953,191	40.08	-	23,953,191	40.08	-	-
4	Vishnu Apartments Pvt Ltd	19,921,690	33.33	-	19,921,690	33.33	-	-
5	SSP Aviation Ltd	9,960,845	16.67	-	9,960,845	16.67	-	-
6	MGF Projects Private Limited	10,547	0.017	-	10,547	0.017	-	-
7	Ms. Shradha Gupta	-	-	-	20,000	0.033	-	-
		<b>57,920,320</b>	<b>96.91</b>	-	<b>57,920,320</b>	<b>96.91</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
<b>1. Mrs. Shilpa Gupta</b>					
	At the beginning of the year	3,175,398	5.31	3,175,398	5.31
	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.)	<b>29.08.2018</b> Increase in Shareholding due to transfer of 8,98,649 Equity Shares from Mr. Shravan Gupta.			
		<b>01.10.2018</b> Decrease in Shareholding due to transfer of 20,000 Equity Shares to Ms. Shradha Gupta.			
	At the end of the year	4,054,047	6.78	4,054,047	6.78
<b>2. Mr. Shravan Gupta</b>					
	At the beginning of the year	898,649	1.50	898,649	1.50
	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.)	<b>29.08.2018</b> Decrease in Shareholding due to transfer of 8,98,649 Equity Shares to Mrs. Shilpa Gupta			
	At the end of the year	-	-	-	-
<b>3. Ms. Shradha Gupta</b>					
	At the beginning of the year	-	-	-	-
	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.)	<b>01.10.2018</b> Increase in Shareholding due to transfer of 20,000 Equity Shares from Mrs. Shilpa Gupta.			
	At the end of the year	20,000	0.033	20,000	0.033

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters &amp; Holders of GDRs &amp; 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	Fairbridge Holdings Ltd	1,844,750	3.09	1,844,750	3.09

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

Sl. No	For Each of the Directors & KMP	Shareholding at the end 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
<b>1 Shravan Gupta</b>					
	At the beginning of the year	898,649	1.50	898,649	1.50
	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.)				
	At the end of the year	-	-	-	-
<b>2 Shilpa Gupta</b>					
	At the beginning of the year	3,175,398	5.31	3,175,398	5.31
	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.)				
	At the end of the year	4,054,047	6.78	4,054,047	6.78

\*No other Director has held shares of the Company.

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment					
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
<b>Indebtness at the beginning of the financial year</b>					
i) Principal Amount	338,372,000	728,834,000	-	1,067,206,000	
ii) Interest due but not paid	-	-	-	-	
iii) Interest accrued but not due	-	-	-	-	
<b>Total (i+ii+iii)</b>	<b>338,372,000</b>	<b>728,834,000</b>	<b>-</b>	<b>1,067,206,000</b>	
<b>Change in Indebtedness during the financial year</b>					
Additions	76,553,000	507,694,000	-	116,645,000	
Reduction	-	-	-	38,263,000	
<b>Net Change</b>	<b>76,553,000</b>	<b>507,694,000</b>	<b>-</b>	<b>-</b>	
<b>Indebtedness at the end of the financial year</b>					
i) Principal Amount	414,925,000	1,236,528,000	-	1,651,453,000	
ii) Interest due but not paid	-	-	-	-	
iii) Interest accrued but not due	-	-	-	-	
<b>Total (i+ii+iii)</b>	<b>414,925,000</b>	<b>1,236,528,000</b>	<b>-</b>	<b>1,651,453,000</b>	

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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 (EPF Contribution)	-	-	-	-	-	-
	<b>Total (A)</b>	-	-	-	-	-	-
	<b>Ceiling as per the Act</b>	-	-	-	-	-	-

**B. Remuneration to other directors:**

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	-	-	-	-
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c ) Others, please specify	-	-	-	-
	<b>Total (1)</b>	-	-	-	-
2	Other Non Executive Directors	-	-	-	-
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c ) Others, please specify.	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B)=(1+2)</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**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total	
		CEO (Rakshit Jain)	CFO (Vijay Kumar Sharma)	Company Secretary (Nupur Jain)			
1	<b>Gross Salary</b>						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	6,972,564	1,207,800	621,000	8,801,364	-
	(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>	-	6,972,564	1,207,800	621,000	8,801,364	-

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	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	Section 148(6) of the Companies Act, 2013	Failed to file Form CRA-4 for the F.Y. 2015-16	100,000	NCLT	--
	Section 134(3)(o) of the Companies Act, 2013	Failed to disclose the reason for not spending amount in CSR activities in the Director Report for the F.Y. 2014-15, 2015-16 & 2016-17	300,000	NCLT	--
<b>B. DIRECTORS</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	Section 148(6) of the Companies Act, 2013	Failed to file Form CRA-4 for the F.Y. 2015-16	100,000	NCLT	--
	Section 134(3)(o) of the Companies Act, 2013	Failed to disclose the reason for not spending amount in CSR activities in the Director Report for the F.Y. 2014-15, 2015-16 & 2016-17	300,000	NCLT	--
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	Section 148(6) of the Companies Act, 2013	Failed to file Form CRA-4 for the F.Y. 2015-16	50,000	NCLT	--
	Section 134(3)(o) of the Companies Act, 2013	Failed to disclose the reason for not spending amount in CSR activities in the Director Report for the F.Y. 2014-15, 2015-16 & 2016-17	300,000	NCLT	--



## **ANNUAL REPORT ON CSR ACTIVITIES**

[Pursuant to clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

### **I. Brief outline of Corporate Social Responsibility Policy of the Company**

M G F Developments Limited (“MGF” or “the Company”) has adopted a Corporate Social Responsibility (“CSR”) Policy in accordance with the applicable provisions of Companies Act, 2013 and allied rules (hereinafter referred as “the Act”). This Policy is a guideline for Company’s CSR activities intended to support local communities on a variety of socially desirable activities with a view to enable high impact of and ensure measurable outcomes of the funds deployed towards such activities.

#### **Scope of the CSR Policy**

The Company’s CSR Policy focuses on implementing Company’s CSR efforts to provide education and dignity to the lives of those children who are unable to afford it themselves. The Company may also undertake and support projects/ programmes in the other areas as may be approved by its CSR Committee and are permissible activities as per the relevant provisions of the Act.

The Policy is available on the website of the Company at [www.mgfindia.com](http://www.mgfindia.com).

### **II. Composition of CSR Committee**

M G F Developments Limited has constituted a CSR committee consisting of following three Directors from the Board of Directors to oversee the implementation of the CSR policy of the Company in accordance with the requirements of Section 135 of the Companies Act. The Committee, which will report to the Board of Directors of the Company.

Members of the Committee:

- 1) Mr. Arun Mitter (Chairman)
- 2) Mr. Shravan Gupta (Director)
- 3) Ms. Pragati Sachdeva (Independent Director)

### **III. The Committee was apprised that pursuant to the provisions of Section 135 of the Companies Act, 2013, read with rules made thereunder, the Committee recommends to the Board an amount (not less than 2% of the Average Net Profit of Last Three Years) to be incurred by the Company on the Corporate Social Responsibility (CSR) activities as mentioned in the CSR Policy of the Company.**

Further, the Committee recommended to the Board to incur the following expenditure on CSR activities of the Company:

**MGF Developments Limited**  
CIN NO.: U74899DL1996PLC081965  
MGF House, 17-B, Asaf Ali Road, New Delhi-110 002  
Ph.: +91-11-42322200, 23272216/18, Fax: +91-11-23280388  
Website : [www.mgfindia.com](http://www.mgfindia.com)

<b>CSR calculation for the financial year ended on 31st March, 2019</b>	
<b>Average Net Profit (Before Tax) of Last Three Years calculated according to Section 198 of Companies Act</b>	
	<b>Amount (in Rs.)</b>
<b>FY 2015-16</b>	4,74,21,530
<b>FY 2016-17</b>	3,92,04,227
<b>FY 2017-18</b>	5,47,40,584
	<b>14,13,66,341</b>
Average Net Profit (Before Tax) of Last Three Years	<b>4,71,22,114</b>
<b>2% average Net Profit (Before Tax) of Last Three Years</b>	<b>9,42,442</b>

As per the provision of law, the Company is responsible to contribute minimum amount of Rs. 9,42,442/- towards the CSR activities, while the intent of the Company should not be only to do business and earn profit but it should also take into account economic, social, and environmental factors, so, by taking in view the above mentioned factors, the Committee recommends to the Board that the Company may contribute upto Rs. 20 Lakh towards CSR activities through its agency FCS Foundation.

IV. The prescribed CSR Expenditure (as in Item III above) is Rs. **9,42,442/-**.

**During F.Y. 2018-19:**

1.	2.	3.	4.	5.	6.	7.	8.
S. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programmes (1) Local Area or other (2) Specify the state or district where projects or programmes were undertaken	Amount outlay (Budget) projects or programmes wise (Rs.)	Amount spent on the projects or programmes 1. Direct expenditure on programmes or projects (Rs.) 2. Overheads (Rs.)	Cumulative expenditure up to the reporting period (Rs.)	Amount spent : Directly or Through Implementing Agency





1.	Health care and providing Medical aid various patients	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care & sanitation including contribution to the 'Swachh Bharat Kosh' set up by the CG.	FCS Foundation, 205, 2 <sup>nd</sup> Floor, Aggarwal Chamber IV, 27, Veer Sawarkar Block, Vikas Marg, Shakarpur, Delhi - 110092	20,00,000	20,00,000	20,00,000	Through Implementing Agency
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**V. Details of CSR spent during the financial year 2018-19:**

- a) Total amount spent in the financial year 2018-19: **Rs. 20,00,000/-**.
- b) Amount unspent: **N.A.**
- c) Manner in which Amount spent during the Financial Year is detailed below:  
As explained above.

**VI.** In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report: **N.A.**

**VII.** We hereby confirm on behalf of CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**For MGF Developments Limited**

**For CSR Committee of MGF Developments Limited**

**Sd-**

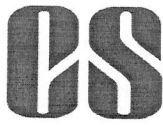
**Sd-**

**Nupur Jain  
(Company Secretary)**

**Arun Mitter  
(Chairman of CSR Committee)**

**Place:** New Delhi

**Date:** September 05, 2019



ANNEXURE TO THE DIRECTORS' REPORT

Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members,  
M/s. M G F Developments Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **M G F Developments Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes 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, we hereby report that in our opinion, the Company has, during the financial year ended **31<sup>st</sup> March, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March, 2019** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings;
- (iii) Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were **not applicable** to the Company during the financial year under report:-
- (iv) The management has identified and confirmed the following laws as applicable to company;
  - (a) Factories Act, 1948 and Rajasthan Factory Rules, 1951;
  - (b) The Environment (Protection) Act, 1986 and other Environment laws;
  - (c) The Employees Provident Fund & Miscellaneous Provisions Act, 1952;
  - (d) Income Tax Act, 1961 and Other Applicable Tax Laws;
  - (e) Industrial Dispute Act, 1947;
  - (f) Minimum Wages Act, 1948;
  - (g) Contract Labour Act, 1970;
  - (h) Payment of Bonus Act, 1965;
  - (i) Employee's State Insurance Act, 1948;
  - (j) Payment of Wages Act, 1936 and other applicable Labour & Industrial Laws.

We have also examined compliance with the Secretarial Standards (SS-1 and SS-2 with regard to Meeting of Board and Meeting of Members respectively) issued by The Institute of Company Secretaries of India.



During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations;

- (1) The Company has avail of credit facilities Resolution dated 12th July, 2018, upto maximum principal amount of Rs. 55,00,00,000/- (Rupees Fifty Five Crore only) in aggregate on terms and conditions as mentioned in the Sanction Letter, however the Company has filed relevant form with ROC 11<sup>th</sup> October, 2018.
- (2) The Company has delayed filed E-form AOC-4 XBRL for F.Y. 2017-18 with ROC dated 04<sup>th</sup> January, 2019.
- (3) The Company has delayed filed E-form MGT-7 for F.Y. 2016-17 with ROC dated 21<sup>st</sup> September, 2018.
- (4) The Company has delayed filed E-form ADT-1 for the Period of Accounts Audit 2017-18 with ROC dated 3<sup>rd</sup> October, 2018.
- (5) The Company has delayed filed E-form ADT-1 for the Period of Accounts Audit 2018-22 with ROC dated 18<sup>th</sup> October, 2018.
- (6) The Company has appointed Ms. Pragati Sachdeva and Mr. Ratan Kumar Thakur as Independent Director of the Company w.e.f. 07<sup>th</sup> October, 2016, however the Company has filed relevant form with ROC 12<sup>th</sup> July, 2018.
- (7) The Company has appointed Mr. Rakshit Jain as CEO of the Company w.e.f. 14<sup>th</sup> February, 2017, however the Company has filed relevant form with ROC 30<sup>th</sup> July, 2018.
- (8) The Company has delayed filed E-form CRA-2 for the F.Y. 2018-19 with ROC dated 2<sup>nd</sup> January, 2019.
- (9) The Company has delayed filed E-form CRA-4 for filing of cost Audit Report with Central Govt. dated 8<sup>th</sup> January, 2019.

**We 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 Woman Director. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

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.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We 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.



For Grover Ahuja & Associates  
Company Secretaries

Place: New Delhi  
Date: 05/09/2019



*Ajay Sharma*  
Ajay Sharma  
(Partner)  
ACS No.: 44649  
C.P No.: 16642

This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

Annexure A

To  
The Members  
M/s. M G F Developments Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

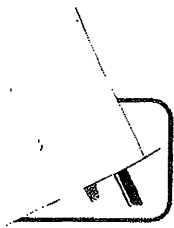
For Grover Ahuja & Associates  
Company Secretaries



*Ajay Sharma*

Ajay Sharma  
(Partner)  
ACS No.: 44649  
C.P No.: 16642

Place: New Delhi  
Date: 05/09/2019



M.: 9953192128

# RAJ JHA & ASSOCIATES

## Chartered Accountants

R-194, 1st Floor, Vani Vihar, Uttam Nagar, New Delhi-110059 Phone : 011-41420089  
E-mail : caraj.jha@gmail.com

### INDEPENDENT AUDITOR'S REPORT

To the Members of MGF Developments Limited

Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of MGF Developments Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity, the cash flow statement for the year then ended and notes to the standalone 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 accompanying standalone 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss and total comprehensive income, changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 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 opinion.

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

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 standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act,





read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone 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 standalone 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 Companies Act, 2013, 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 standalone 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 standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

#### Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' 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 "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (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 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 accompanying standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the directors as on March 31, 2019, and 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. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".




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

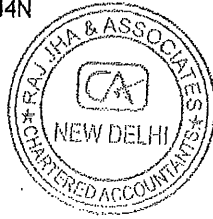
(ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

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

For Raj Jha & Associates  
Chartered Accountants  
Firm Registration No.: 027344N



Raj Kumar Jha  
(Proprietor)  
Membership No. 525552



Place: New Delhi  
Date: June 29, 2019

**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of MGF Developments Limited on the financial statements for the year ended March 31, 2019]

- (i)
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) The Company does not hold immovable properties as property, plant & equipment. Accordingly, paragraph 3 (i)(c) of the Order is not applicable to the Company
- (ii) The Company does not hold inventories of stores, spare parts and raw materials. Inventory comprises of only completed projects and projects in progress. According to the information and explanations given to us, and also keeping in view the nature of the operations of the Company, inventory of completed projects and projects in progress cannot be physically verified.
- (iii)
- (a) As informed, the Company has granted interest free unsecured loans to various parties covered in the register maintained under Section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of the loans are not prejudicial to the interest of the Company.
  - (b) The schedule of repayment of principal and payment of interest in respect of such loans has not been stipulated thus we are unable to comment whether the repayments or receipts are regular and report amounts overdue for more than ninety days, if any, as required under paragraph 3(iii)(c) of the Order.
  - (c) In respect of the aforesaid loans, as the schedule of repayment of principal has not been stipulated, we are unable to comment whether there is any overdue amount of loans granted to company and other parties listed in the register maintained under section 189 of the Act.
- (iv) According to the information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there



under and we are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained.

(vii)

- (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, however, there have been slight delay in few cases.

According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, which were outstanding, at the year end for a period of more than six months from the date they became payable are as follows-

Nature of dues	Amount (₹)
Income Tax	48,410,527

- (b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, customs duty, excise duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount	Period to which the amount relates
Income Tax Act, 1961	Income Tax	49,24,374	A.Y. 2004-05
Income Tax Act, 1961	Income Tax	57,65,995	A.Y. 2009-10
Income Tax Act, 1961	Income Tax	20,85,850	A.Y. 2010-11
Income Tax Act, 1961	Income Tax	31,923,372	A.Y. 2011-12
Income Tax Act, 1961	Income Tax	2,18,330	A.Y. 2015-16

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution(s), bank(s), government(s) or dues to debenture holder(s).
- (ix) In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised. Further, the Company has not raised any money by way of initial public issue offer.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.




- (xi) According to the information and explanations given to us, managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Section 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Raj Jha & Associates**

Chartered Accountants

ICAI Firm Registration No. 027344N

  
**Raj Kumar Jha**

Proprietor

Membership No. 525552



Place: New Delhi

Date: June 29, 2019

**ANNEXURE "2" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MGF DEVELOPMENTS 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 MGF Developments Limited ("the Company") as on March 31, 2019 in conjunction with our audit of the standalone 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 control 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 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 were 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 Company's internal financial controls system over financial reporting.



### Meaning of Internal Financial Controls Over Financial Reporting

The 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 standalone financial statements for external purposes in accordance with generally accepted accounting principles. The 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 standalone 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 project manager 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 standalone financial statements.


### Inherent Limitations of Internal Financial Controls Over Financial Reporting

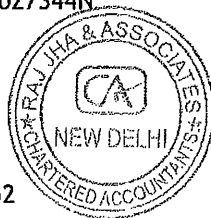
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 Raj Jha & Associates  
Chartered Accountants  
ICAI Registration No. - 027344N

  
Raj Kumar Jha  
Proprietor  
Membership No. 525552



Place: New Delhi  
Date: June 29, 2019



MGF DEVELOPMENTS LIMITED  
BALANCE SHEET AS AT MARCH 31, 2019

(Amount in Rupees lacs)

Particulars	Note No.	As at	As at
		March 31, 2019	March 31, 2018
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant & equipment	3	48,678.59	100.75
Capital work-in-progress		9,766.02	-
Other intangible assets	4	5.53	3.72
Investment in subsidiary	5	3,527.49	6.01
<b>Financial assets</b>			
Investment	6	13,086.86	4,336.12
Other financial assets	7	178.55	249.24
Deferred tax assets (net)	8	4,165.71	2,104.57
Other non current assets	9	2,445.38	127.07
Non-current (tax) assets	10	1,387.83	294.18
		<b>83,241.96</b>	<b>7,221.66</b>
<b>Current Assets</b>			
Inventories	11	69,680.76	12,163.71
<b>Financial assets</b>			
Investment	12	3,396.93	2,409.41
Trade receivables	13	671.68	630.28
Cash and cash equivalents	14	2,142.94	1,482.73
Bank balances other than Cash and Cash equivalents	15	836.66	45.42
Other financial assets	16	228,543.01	40,328.58
Other current assets	17	8,416.10	5,343.64
		<b>313,688.08</b>	<b>62,403.77</b>
<b>Total Assets</b>		<b>396,930.04</b>	<b>69,625.43</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	18	5,976.51	5,976.51
Shares pending allotment	18.1	1,973.48	-
Other equity	19	217,269.13	25,554.31
		<b>225,219.12</b>	<b>31,530.82</b>
<b>Non- Current Liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	20	4,149.25	3,383.72
Provisions	21	52.71	36.85
		<b>4,201.96</b>	<b>3,420.57</b>
<b>Current Liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	22	12,365.28	7,288.34
Trade payables	23	8,966.60	1,493.46
Other financial liabilities	24	132,358.16	15,893.59
Other current liabilities	25	12,244.72	9,386.76
Provisions	26	9.17	6.51
Current tax liabilities (net)	27	1,565.03	605.38
		<b>167,508.96</b>	<b>34,674.04</b>
<b>Total Equity &amp; Liabilities</b>		<b>396,930.04</b>	<b>69,625.43</b>

Summary of significant accounting policies

2

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

As per our report of even date

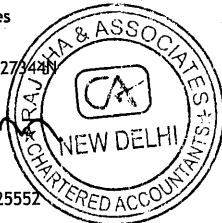
For Raj Jha & Associates

Chartered Accountants

Firm Registration No : 027944N

Raj Kumar Jha  
Proprietor

Membership Number: 525552



For and on behalf of Board of Directors of  
MGF Developments Limited

*Rakshit Jain*

Rakshit Jain  
Director & CEO  
DIN : 00607288  
Nupur Jain  
Company Secretary  
M.No. 36044

Arun Mitter  
Director  
DIN : 00022941

Vijay Kumar Sharma  
CFO

Place : New Delhi  
Date : June 29, 2019

Place : New Delhi  
Date : June 29, 2019



MGF DEVELOPMENTS LIMITED  
Statement of Profit and Loss for the year ended March 31, 2019

	Note	(Amount in Rupees lacs)	
		Year ended March 31, 2019	Year ended March 31, 2018
<b>Income</b>			
Revenue from operations	28	1,207.63	3,322.73
Other Income	29	14,554.39	1,411.25
<b>Total income</b>		<b>15,762.02</b>	<b>4,733.98</b>
<b>Expenses</b>			
Cost of Materials Consumed	30	(51.71)	1,828.34
Purchase of Stock-in-Trade	31	32.75	157.28
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	32	(167.09)	(1,888.85)
Employee benefit expense	33	535.73	343.86
Financial costs	34	10,040.68	555.26
Depreciation and amortization expense	35	25.18	18.44
Other expenses	36	33,307.69	2,069.09
<b>Total expenses</b>		<b>43,723.23</b>	<b>3,083.42</b>
<b>(Loss)/ Profit before tax</b>		<b>(27,961.21)</b>	<b>1,650.56</b>
<b>Tax expense:</b>			
(1) Current tax		-	110.54
(2) Mat credit entitlement		-	(86.35)
(3) Deferred tax liability/(Assets)		(2,060.27)	(152.34)
(4) Earlier year tax adjustments		(12.12)	-
<b>(Loss)/ Profit for the year</b>		<b>(25,888.82)</b>	<b>1,778.71</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurement of post employment benefit obligations		(3.34)	(3.94)
- Income tax related to above item		0.87	1.30
<b>Other comprehensive income for the year (net of income tax)</b>		<b>(2.47)</b>	<b>(2.64)</b>
<b>Total comprehensive income for the year</b>		<b>(25,891.29)</b>	<b>1,776.07</b>
<b>Earnings per equity share (in ₹)</b>			
face value per share ₹ 10 each (Previous year ₹ 10 each)			
-Basic earning per share	37	(43.32)	2.98
-Diluted earning per share		(43.32)	2.98

Summary of significant accounting policies 2  
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Raj Jha & Associates  
Chartered Accountants

Raj Kumar Jha

Proprietor

Membership Number: 513357



For and on behalf of Board of Directors of  
MGF Developments Limited

Rakshit Jain

Rakshit Jain

Director & CEO

DIN : 00607288

Nupur Jath

Company Secretary

M.No. 36044

Arun Mitter

Arun Mitter

Director

DIN : 00022941

Vijay Kumar Sharma

CFO

Place : New Delhi  
Date : June 29, 2019

Place : New Delhi  
Date : June 29, 2019



MGF DEVELOPMENTS LIMITED  
Cash Flow Statement for the year ended March 31, 2019

	(Amount in Rupees lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Cash flow from operating activities</b>		
Net loss before tax from continuing business	(27,961.21)	1,650.56
Net profit before tax from discontinued business	(3.34)	(3.94)
<i>Adjustments for:</i>		
Depreciation and amortization from continuing operations	25.18	18.44
Provision for doubtful receivables	670.98	(979.39)
Loss on restatement of mutual fund	0.00	(130.39)
Loss on Sale of Fixed Assets	1.02	7.52
Interest Charges on Term Loans	440.84	476.70
Loan processing fees	98.21	-
Interest Charges on ICD	64.85	64.85
Interest Income	(63.55)	(48.45)
Profit on Sale of Investments	(1,420.48)	(242.39)
Dividend Income	(1.68)	(1.56)
	<b>(184.63)</b>	<b>(834.67)</b>
<b>Operating profit before working capital changes</b>	<b>(28,149.18)</b>	<b>811.95</b>
<b>Movement in assets and liabilities, net</b>		
<i>Adjustments for (increase)/decrease in operating assets:</i>		
Non-Current other financial assets	3.24	(6.63)
Other non current assets	(2,306.19)	6.84
Inventories	(57,517.05)	(90.07)
Trade receivables	(712.38)	1,301.23
Other current financial assets	(181,850.62)	(2,584.53)
Other current assets	(3,072.46)	(94.18)
<i>Adjustments for increase/(decrease) in operating liabilities:</i>		
Non-current provisions	15.86	2.75
Trade payables	7,473.14	(66.02)
Other current financial liabilities	116,639.33	1,131.50
Other current liabilities	2,857.96	(991.37)
Current provisions	2.66	0.14
	<b>(118,466.51)</b>	<b>(1,390.34)</b>
<b>Cash generated from/(used in) operating activities</b>	<b>(146,615.69)</b>	<b>(578.39)</b>
Less: taxes paid, (net of refund and interest thereon)	(134.00)	(151.09)
<b>Net cash generated from operating activities</b>	<b>(146,749.69)</b>	<b>(729.48)</b>
<b>Cash flow from investing activities</b>		
Investment in subsidiary	(3,521.48)	(1.00)
Investment in others	(7,330.26)	263.44
Investment in mutual funds	(987.52)	(2,245.00)
Investment in fixed deposits	(722.24)	119.56
Capital expenditure on capital work in progress	(9,766.02)	-
Capital expenditure on property, plant and equipment	(48,605.96)	(12.49)
Proceeds from sale of property, plant and equipment	0.10	2.23
Loans given to related parties (net of realisation)	(6,421.17)	(838.94)
Loans given to others (net of realisation)	73.91	734.85
Dividend income	1.68	1.56
Interest received	45.45	45.69
<b>Net cash (used in) investing activities</b>	<b>(77,233.51)</b>	<b>(1,930.10)</b>

Continued to next page



Continued from previous page

	Year ended March 31, 2019	Year ended March 31, 2018
<b>Cash flow from financing activities</b>		
Proceeds from issue of shares	0.00	-
Security premium received on issue of shares	0.00	-
Shares pending allotment	1,973.48	-
Profit on account of demerger	217,601.88	-
Increase in deemed capital contribution	6.71	-
Repayment of long-term borrowings (including current maturities)	605.16	(339.90)
Movement in current borrowings	5,076.94	1,166.45
Loan processing fees	(98.21)	-
Finance cost	(520.08)	(541.55)
<b>Net cash generated/(used in) from financing activities</b>	<b>224,645.88</b>	<b>285.00</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>662.68</b>	<b>(2,374.58)</b>
<b>Cash and cash equivalents</b>		
-Beginning of the year	1,482.73	3,857.31
-End of the year (A)	2,145.41	1,482.73
Deposits with original maturity of more than three months (B)		
<b>Cash and bank balances as per Balance Sheet (A+B)</b>	<b>2,142.94</b>	<b>1,482.73</b>

Summary of significant accounting policies (refer note 2)

i. The cash flow statement has been prepared under the indirect method as set

As per our report of even date

For **Raj Jha & Associates**

Chartered Accountants

Firm Registration No : 027344N

Raj Kumar Jha

Proprietor

Membership Number: 63554



Place: New Delhi

Date : June 29, 2019

For and on behalf of Board of Directors of  
**MGF Developments Limited**

*Rakshit Jain* *Arun Mitter*

Rakshit Jain

Director & CEO

DIN : 00607288

*Nupur Jain*

Nupur Jain

Company Secretary

M.No. 36044

Place: New Delhi

Date : June 29, 2019

Arun Mitter

Director

DIN : 00022941

*Vijay Kumar Sharma*

Vijay Kumar Sharma

CFO



MGF DEVELOPMENTS LIMITED

Statement of changes in equity for the year ended March 31, 2019

A. Equity share capital

Balance as at March 31, 2017	5,976.51
Changes in equity share capital during the year 2017-18	-
Balance as at March 31, 2018	5,976.51
Changes in equity share capital during the year 2018-19	-
Balance as at March 31, 2019	5,976.51

B. Other equity

For the year ended March 31, 2018

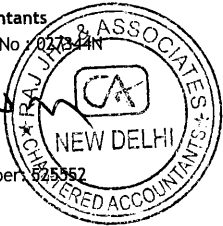
(Amount in Rupees lacs)

Particulars	Reserves & Surplus				Remeasurement of defined benefit plans	Total
	Security premium reserve	General reserve	Deemed equity	Retained Earnings		
Balance as at March 31, 2017	12,393.64	324.39	71.25	10,990.71	(1.82)	23,778.18
Financial guarantee issued during the year	-	-	-	-	-	-
Profit for the year	-	-	-	1,778.70	0.00	1,778.70
Other comprehensive Income	-	-	-	-	(2.64)	(2.64)
Total Comprehensive Income	-	-	-	1,778.70	(2.64)	1,776.06
Balance as at March 31, 2018	12,393.64	324.39	71.25	12,769.41	(4.45)	25,554.25
Opening Balance as at April 01, 2018	12,393.64	324.39	71.25	12,769.41	(4.45)	25,554.25
Financial guarantee issued during the year	-	-	6.71	-	-	6.71
Profit on account of demerger	-	-	217,601.88	-	-	217,601.88
Profit for the year	-	-	-	(25,891.27)	-	(25,891.27)
Other comprehensive Income	-	-	-	-	(2.48)	(2.48)
Total Comprehensive Income	-	-	-	(25,891.27)	(2.48)	(25,893.74)
Balance as at March 31, 2018	12,393.64	324.39	217,679.84	(13,121.85)	(6.93)	217,269.10

As per our report of even date

For Raj Jha & Associates  
Chartered Accountants  
Firm Registration No. 027344

Raj Kumar Jha  
Proprietor  
Membership Number: 625552



For and on behalf of Board of Directors of  
MGF Developments Limited

*Rakshit Jain* *Arun Mitter*

Rakshit Jain  
Director & CEO  
DIN: 00607288  
*Nupur Jain*  
Nupur Jain  
Company Secretary  
M.No. 36044

Arun Mitter  
Director  
DIN: 00022941  
*Vijay Kumar Sharma*  
Vijay Kumar Sharma  
CFO

Place: New Delhi  
Date: June 29, 2019

Place: New Delhi  
Date: June 29, 2019



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

3. Property, plant and equipment

Particulars	(Amount in Rupees lacs)							
	Land	Plant & machinery	Furniture and fixtures	Vehicles*	Office equipment	Lease hold improvement	Computer hardware	Total
Cost or deemed cost (gross carrying amount)								
Balance as at April 01, 2017	-	29.26	9.26	27.99	8.39	42.18	22.26	139.34
Additions	-	7.54	-	-	2.98	-	1.97	12.49
Disposals	-	-	-	1.80	2.50	-	5.55	9.85
Balance as at March 31, 2018	-	36.80	9.26	26.19	8.87	42.18	18.68	141.98
Balance as at April 01, 2018	-	36.80	9.26	26.19	8.87	42.18	18.68	141.98
Additions	48,517.55	0.23	1.29	51.10	13.25	6.30	13.93	48,603.65
Disposals	-	-	-	1.18	-	-	-	1.18
Balance as at March 31, 2019	48,517.55	37.03	10.55	76.11	22.12	48.48	32.61	48,744.45
Accumulated depreciation and impairment losses								
Balance at April 01, 2017	-	5.85	1.19	5.99	2.07	2.02	6.43	23.55
Depreciation for the year	-	5.41	0.07	1.14	2.51	1.92	6.73	17.78
Disposals	-	-	-	0.05	-	-	0.05	0.10
Balance as at March 31, 2018	-	11.26	1.26	7.08	4.58	3.94	13.11	41.23
Balance at April 01, 2018	-	11.26	1.26	7.08	4.58	3.94	13.11	41.23
Depreciation for the year	-	4.75	0.27	7.80	3.40	1.85	6.62	24.69
Disposals	-	-	-	0.06	-	-	-	0.06
Balance as at March 31, 2019	-	16.01	1.53	14.82	7.98	5.79	19.73	65.86
Carrying amount (net)								
As at March 31, 2018	-	25.54	8.00	19.11	4.29	38.24	5.57	100.75
As at March 31, 2019	48,517.55	21.02	9.02	61.29	14.14	42.69	12.88	48,678.59



4. Other intangible assets

Particulars	(Amount in Rupees lacs)			
	Trade Marks	Computer Software	Total	
Cost or deemed cost (gross carrying amount)				
Balance as at April 01, 2017	6.04	0.96	7.00	
Additions	-	-	-	
Disposals	-	-	-	
Ind AS remeasurements	-	-	-	
<b>Balance as at March 31, 2018</b>	<b>6.04</b>	<b>0.96</b>	<b>7.00</b>	
Balance as at April 01, 2018	6.04	0.96	7.00	
Additions	-	2.31	2.31	
Disposals	-	-	-	
Ind AS remeasurements	-	-	-	
<b>Balance as at March 31, 2019</b>	<b>6.04</b>	<b>3.27</b>	<b>9.31</b>	
0.00	0.00	0.00	0.00	
Accumulated amortisation and impairment losses	0.00	0.00	0.00	
Balance at April 01, 2017	2.61	-	2.61	
Depreciation for the year	0.67	-	0.67	
Disposals	-	-	-	
<b>Balance as at March 31, 2018</b>	<b>3.28</b>	<b>-</b>	<b>3.28</b>	
Balance at April 01, 2018	3.28	-	3.28	
Depreciation for the year	-	0.50	0.50	
Disposals	-	-	-	
<b>Balance as at March 31, 2019</b>	<b>3.28</b>	<b>0.50</b>	<b>3.78</b>	
Carrying amount (net)	-	-	-	
As at March 31, 2018	2.76	0.96	3.72	
As at March 31, 2019	3.28	2.78	5.53	

Notes:

1. Internally generated intangible assets as at March 31, 2019 ₹ Nil, (March 31, 2018 ₹ Nil).



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

5 Investment in subsidiary

Particulars	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
<b>Unquoted, trade investment, at cost</b>		
<b>Investment in subsidiaries</b>		
Crimson Holdings Private Limited 30,000 (March 31 2018: 30,000) equity shares of INR 10 each	3.00	3.00
Kayo Developers Private Limited 10,000 (March 31, 2018: 10,000) equity shares of INR 10 each	1.01	1.01
Samisthi Real Estate Private Limited 10,000 (March 31, 2018: 10,000) equity shares of INR 10 each	1.00	1.00
MGFD Ventures Private Limited 10,000 (March 31, 2018: 10,000) equity shares of INR 10 each	1.00	1.00
Avinashi Buildtech Private Limited 10,000 (March 31, 2018: Nil) equity shares of INR 10 each	1.00	-
Cassock Properties Private Limited 10,000 (March 31, 2018: Nil) equity shares of INR 10 each	1.00	-
Chhavi Buildtech Private Limited 10,000 (March 31, 2018: Nil) equity shares of INR 10 each	1.00	-
Easter Conbuild Private Limited 20,000 (March 31, 2018: Nil) equity shares of INR 10 each	106.10	-
Ecstasy Conbuild Private Limited 20,000 (March 31, 2018: Nil) equity shares of INR 10 each	106.10	-
Emaar MGF Construction Private Limited 2,188,102 (March 31, 2018: Nil) equity shares of INR 10 each	2,407.48	-
Ethic Conbuild Private Limited 20,001 (March 31, 2018: Nil) equity shares of INR 10 each	230.80	-
Gait Propbuild Private Limited 10,000 (March 31, 2018: Nil) equity shares of INR 10 each	1.00	-
Glimpse Propbuild Private Limited 10,000 (March 31, 2018: Nil) equity shares of INR 10 each	1.00	-
Godson Propbuild Private Limited 20,000 (March 31, 2018: Nil) equity shares of INR 10 each	193.70	-
Gran Propbuild Private Limited 10,000 (March 31, 2018: Nil) equity shares of INR 10 each	1.00	-
Grapeshot Propbuild Private Limited 20,000 (March 31, 2018: Nil) equity shares of INR 10 each	208.90	-
Lifeline Buildtech Private Limited 10,000 (March 31, 2018: Nil) equity shares of INR 10 each	1.00	-
Locus Propbuild Private Limited 10,000 (March 31, 2018: Nil) equity shares of INR 10 each	1.00	-
Mega City Promoters Private Limited 65,000 (March 31, 2018: Nil) equity shares of INR 10 each	6.50	-
MG Colonizers Private Limited 10,000 (March 31, 2018: Nil) equity shares of INR 10 each	239.90	-
Pipalashray Estate Private Limited 10,000 (March 31, 2018: Nil) equity shares of INR 10 each	1.00	-
Prayas Buildcon Private Limited 100,000 (March 31, 2018: Nil) equity shares of INR 10 each	10.00	-
Spiritual Realtors Private Limited 10,000 (March 31, 2018: Nil) equity shares of INR 10 each	1.00	-
Sukhda Promoters Private Limited 10,000 (March 31, 2018: Nil) equity shares of INR 10 each	1.00	-
Tushar Projects Private Limited 10,000 (March 31, 2018: Nil) equity shares of INR 10 each	1.00	-
	<u>3,527.49</u>	<u>6.01</u>

The aggregate book value of unquoted non current investment are as follows:

	As at March 31, 2019	As at March 31, 2018
Aggregate book value of unquoted non current investment	3,527.49	6.01

The company has elected to measure all of its investments in subsidiary company at their previous GAAP carrying value.

There are no other significant restrictions on the right of ownership, realisability of investments or the remittance of income and proceeds of disposal.





## 6 Non current financial assets- investment

Particulars	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
<b>Unquoted, trade investment, at cost</b>		
<b>Investment in associate</b>		
Discovery Holdings Private Limited		
49,850 (March 31 2018: 49,850) equity shares of INR 10 each	4.99	4.99
MGF Estates Management Private Limited		
50,000 (March 31 2018: 50,000) equity shares of INR 10 each	5.00	5.00
MGF Promotions & Events Private Limited		
50,000 (March 31 2018: 50,000) equity shares of INR 10 each	5.00	5.00
SSP Aviation Limited		
520,300 (March 31 2018: 520,300) equity shares of INR 10 each	52.14	52.14
VMR Promoters Private Limited		
2,500,000 (March 31 2018: 2,500,000) equity shares of INR 10 each	264.54	264.54
Acreage Builders Private Limited (30.91%)		
164,380 (March 31 2018: Nil) equity shares of INR 10 each	7,720.00	-
(A)	<u>8,051.67</u>	<u>331.67</u>
<b>Investment in joint venture</b>		
North Delhi Metro Mall Private Limited		
9,144,053 (March 31 2018: 18,661,332) equity shares of INR 10 each	1,793.01	2,745.24
(B)	<u>1,793</u>	<u>2,745.24</u>
<b>Investment in other companies</b>		
<b>In equity shares (unquoted)</b>		
Aryan Life Style Private Limited		
640,000 (March 31 2018: 640,000) equity shares of INR 10 each	64.00	64.00
Discovery Estates Private Limited		
500 (March 31 2018: 500) equity shares of INR 10 each	0.05	0.05
EMAAR MGF Education Private Limited		
8,000 (March 31 2018: 8,000) equity shares of INR 10 each	204.00	204.00
EMAAR MGF Land Limited		
434,318 (March 31 2018: 434,318) equity shares of INR 10 each	189.31	189.31
Hamptons International Private Limited		
Nil (March 31 2018: 2,000, April 1, 2017: 2,000) equity shares of INR 10 each		0.00
MGF Holdings Private Limited		
Nil (March 31 2018: 3,500, April 1, 2017: 3,500) equity shares of INR 10 each		0.00
MGF Retail Services Private Limited		
3,500 (March 31 2018: 3,500) equity shares of INR 10 each	0.35	0.35
Shanti Apparels Manufacturing Co Private Limited		
440 (March 31 2018: 440) equity shares of INR 10 each	127.38	127.38
Vishnu Apartments Private Limited		
365,000 (March 31 2018: 365,000) equity shares of INR 10 each	37.50	37.50
	<u>622.59</u>	<u>622.59</u>
<b>In preference shares (unquoted)</b>		
Triyug Projects Private Limited		
90,767,691 (March 31 2018: Nil) equity shares of INR 10 each	1,387.84	-
	<u>1,387.84</u>	<u>-</u>
(C)	<u>2,010.43</u>	<u>622.59</u>
<b>Investment in Debentures</b>		
North Delhi Metro Mall Private Limited		
226 (March 31 2018: Nil) Debentures of INR 1,000,000 each	595.13	-
(D)	<u>595.13</u>	<u>-</u>
<b>Investment in others</b>		
In Paintings and Sculptures	636.62	636.62
(E)	<u>636.62</u>	<u>636.62</u>
(A+B+C+D+E)	<u>13,086.86</u>	<u>4,336.12</u>

The aggregate book value of unquoted non current investment are as follows:

	As at March 31, 2019	As at March 31, 2018
Aggregate book value of unquoted non current investment	12,450.24	3,699.50

The company has elected to measure all of its investments in subsidiary company at their previous GAAP carrying value.

There are no other significant restrictions on the right of ownership, realisability of investments or the remittance of income and proceeds of disposal.



7 Other non current financials assets

Particulars	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
Security Deposits	133.26	136.50
Fixed Deposits with maturity more than 12 months	37.69	106.69
Interest Receivable	7.60	6.05
	<u>178.55</u>	<u>249.24</u>

8 Deferred tax assets (net)

Particulars	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
Deferred tax assets (net)	4,165.71	2,104.57
	<u>4,165.71</u>	<u>2,104.57</u>

9 Non current assets

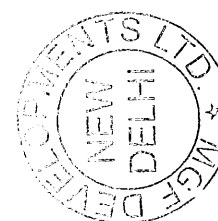
Particulars	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
Lifeline Buildtech Private Limited	2,646.74	-
Provision	(347.57)	-
	<u>2,299.17</u>	<u>-</u>
Financial guarantee receivable	44.57	37.86
Mat credit entitlement	98.47	86.35
Prepaid lease rent	3.17	2.86
	<u>2,445.38</u>	<u>127.07</u>

10 Non-current (tax) assets

Particulars	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
Advance income tax (net of provision as at March 31, 2019 INR 536.04 lacs (March 31, 2018: INR 536.04 lacs))	428.17	294.18
	<u>428.17</u>	<u>294.18</u>

11 Inventories

Particulars	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
Land at Kherki Daula	339.68	339.68
Land at Village - Kherki Dhaula, Gurgaon	1,791.06	-
(A)	<u>2,130.74</u>	<u>339.68</u>
<b>Construction Work in Progress (As taken Valued and Certified by the Management)</b>		
a) Opening Balance	3,434.02	5,232.82
Add : Proportionate Cost of work done during the year	(51.20)	29.55
Less : Cost of construction charged to Profit & Loss Account	51.71	(1,828.34)
	<u>3,434.53</u>	<u>3,434.03</u>
b) Acquisition of work-in-progress in demerger	54,922.22	-
	<u>54,922.22</u>	<u>-</u>
c) Investment Project - MGF Centre	-	-
Add : Additions additions during the year	636.18	-
	<u>636.18</u>	<u>-</u>
(B)	<u>58,992.93</u>	<u>3,434.03</u>
<b>Finished Stock (As taken Valued and Certified by the Management)</b>		
a) Closing Inventory of Built-up shops	6,246.33	4,357.48
Add : Stock of Area of 59030.80 Sqft @ Rs. 2943.06 per sqft in Metropolis Mall transferred to Finished Stock from WIP on the Completion of Project	-	1,731.57
Add: Purchase of Unit No. UG-005 from Hemand & Smriti Gupta in Metropolis Mall-GGN	134.34	157.28
	<u>6,380.67</u>	<u>6,246.33</u>
b) Acquisition of finished goods in demerger	-	-
	<u>-</u>	<u>-</u>
c) Investment Project - Qutab	2,176.42	2,143.67
	<u>2,176.42</u>	<u>2,143.67</u>
(C)	<u>8,557.09</u>	<u>8,390.00</u>
(A+B+C)	<u>69,680.76</u>	<u>12,163.71</u>



12 Current financial investments

Particulars	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
Investment in Mutual Funds	37.81	2,409.41
Investment in Equity Shares (Listed)	3,359.12	-
	<b>3,396.93</b>	<b>2,409.41</b>

13 Trade receivables

Particulars	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
<b>Un-secured, considered good</b>		
Outstanding for a period exceeding six months from the date they are due for payment	602.65	292.75
Other receivables	69.03	337.53
	<b>671.68</b>	<b>630.28</b>
<b>Un-secured, considered doubtful</b>		
Less: Provision for doubtful debts	(2,242.40)	(1,571.42)
<b>Total Trade Receivable</b>	<b>671.68</b>	<b>630.28</b>

14 Cash and cash equivalents

Particulars	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
Balances with banks		
On current accounts	1,892.47	1,268.48
Deposits with original maturity of less than three months	225.19	196.40
Cash on hand	25.28	17.85
	<b>2,142.94</b>	<b>1,482.73</b>

15 Bank balances other than Cash and Cash equivalents

Particulars	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
<b>Deposits with Maturity Period</b>		
of more than 3 months but upto 12 months	836.66	45.42
	<b>836.66</b>	<b>45.42</b>

16 Other current financial assets

Particulars	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
Inter-corporate Deposit Interest Free - related parties	28,750.18	22,329.01
Inter-corporate Deposit Interest Free - Other Parties	2,854.96	2,928.87
<b>Loans and advances to related parties</b>		
Unsecured, considered good	167,815.07	-
Doubtful	244.67	-
Less: Provision	(244.67)	-
<b>Advances for land and land development rights</b>		
Unsecured, considered good	15,989.08	-
<b>Advances recoverable in cash or kind</b>		
Unsecured, considered good - Govt Fees	5,311.11	-
Other Receivables- related parties	2,472.80	1,568.88
Other Receivables- others	777.07	9,934.10
Interest Receivable	26.21	9.66
Security Deposits	2,488.13	2,474.78
Business Advances	2,053.09	1,078.54
Advances Given to Staff	5.31	4.74
	<b>228,543.01</b>	<b>40,328.58</b>

17 Other current assets

Particulars	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
Advance Against Land	2,532.99	2,571.01
Booking Advance - Related Party	2,630.00	2,630.00
Unbilled revenue	3,039.72	-
Prepaid lease rent	6.03	3.41
Service tax refundable	20.71	20.93
GST Input Credit	146.79	104.55
Prepaid Expenses	39.86	13.74
	<b>8,416.10</b>	<b>5,343.64</b>



## 18 Equity share capital

The Company has only one class of share capital having a par value of INR 10 per share, referred to herein as equity share.

	March 31, 2019		March 31, 2018	
	Numbers	Amount in lacs	Numbers	Amount in lacs
<b>Authorised shares (refer note f below)</b>				
Equity shares of INR 10 each (Previous year INR 10)	160,000,000	16,000.00	60,000,000	6,000.00
<b>Issued, subscribed and fully paid up shares</b>				
Equity shares of INR 10 each (Previous year INR 10)	59,765,070	5,976.51	59,765,070	5,976.51
<b>Issued, subscribed and partly paid up shares</b>				
Equity shares of INR 10 each (Previous year INR 10), INR 1 per share paid up	-	-	-	-
	<b>59,765,070</b>	<b>5,976.51</b>	<b>59,765,070</b>	<b>5,976.51</b>

## a) Reconciliation of shares outstanding as at the beginning and at the end of the reporting year

Particulars	March 31, 2019		March 31, 2018	
	Numbers	Amount in lacs	Numbers	Amount in lacs
At the beginning of the year	59,765,070	5,976.51	59,765,070	5,976.51
Issued during the year	-	-	-	-
Partly paid up shares converted into fully paid up for INR 9 per share	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>59,765,070</b>	<b>5,976.51</b>	<b>59,765,070</b>	<b>5,976.51</b>

## b) Terms/rights attached to equity share

*Voting*

Each holder of equity shares is entitled to one vote per share held.

*Dividends*

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting except in the case where interim dividend is distributed. The Company has not distributed any dividend in the current year and previous year.

*Liquidation*

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

## c) Shares held by the holding company / ultimate holding company and/or their associates/ subsidiaries.

Name of share holder	March 31, 2019		March 31, 2018	
	Numbers	% held	Numbers	% held
Discovery Estates Private Limited	23,953,191	40.08	23,953,191	40.08
Vishnu Apartments Private Limited	19,921,690	33.33	19,921,690	33.33
	<b>43,874,881</b>	<b>73.41</b>	<b>43,874,881</b>	<b>73.41</b>

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

Name of share holder	March 31, 2019		March 31, 2018	
	Numbers	% held	Numbers	% held
Discovery Estates Private Limited	23,953,191	40.08	23,953,191	40.08
Vishnu Apartments Private Limited	19,921,690	33.33	19,921,690	33.33
SSP Aviation Limited	9,960,845	16.67	9,960,845	16.67
Shilpa Gupta	4,054,047	6.78	3,175,398	5.31

e) No class of shares have been allotted as fully paid up pursuant to contract(s) without payment being received in cash, allotted as fully paid up by way of bonus shares or bought back during the period of 5 years immediately preceding the Balance Sheet date



f) The Hon'ble National Company Law Tribunal ("NCLT"), has approved the Scheme of Arrangement (hereinafter referred to as "the Scheme") by way of demerger between Emaar MGF Land Limited ("Demerged Company") and MGF Developments Limited ("MGF" or "Resulting Company") on July 16, 2018 vide Order no. 7869 and accordingly, pursuant to the provision of the Companies Act, 2013, Effective Date of Demerger Scheme is July 16, 2018.

Clause 9.6 of the Scheme of Arrangement is reproduced herein below:

*Upon the coming into effect of the Scheme, the authorised share capital of the Demerged Company to the extent of Rupees One Billion (INR 1,000,000,000) shall be transferred to the Resulting Company. The authorised share capital of the Resulting Company shall stand automatically increased by the said amount, without any further act or deed and accordingly the existing capital clause in the Memorandum of Association of the Resulting Company shall stand altered to such extent. It is clarified that the alteration to the capital clause shall be an integral part of the Scheme and shall become operative on the Scheme becoming effective by virtue of the fact that the shareholders of the Resulting Company, while approving the Scheme as a whole, have also resolved and accorded the relevant consents as required respectively under Section 13, 14, 61 (to the extent notified) and Section 64 of the Act or any other applicable provision of the Act and shall not be required to pass separate resolutions as required under the Act.*

As per the said clause 9.6 of the Scheme, considering the Order of NCLT, Demerged Company was required to transfer Authorised Share Capital to the extent of Rupees One Hundred Crore (INR 1,000,000,000) to the Resulting Company and update its master data on the MCA Portal, hence, make enable to Resulting Company to issue equity shares to shareholders of Demerged Company pursuant to the Scheme,.

In the view above the Resulting Company had filed a request letter dated September 04, 2018 to Registrar of Companies, Ministry of Corporate Affairs, New Delhi, to increase the authorised share capital of the Resulting Company from the existing Rupees Sixty Crore (INR 60,00,00,000) to Rupees One Hundred Sixty Crore (INR 1,60,00,00,000) and to update the master data of Resulting Company. Accordingly, in compliance of Order of NCLT, MGF have increased its authorised share Capital from the existing Rupees Sixty Crore (INR 60,00,00,000) to Rupees One Hundred Sixty Crore (INR 1,60,00,00,000) w.e.f. July 16, 2018 and disclosed the same in financial statement ending March 31, 2019. However master data is not reflected the same in the record of Ministry of Corporate Affairs, therefore the Company is unable to issue the equity shares to the shareholders of Demerged Company.

#### 18.1 Shares pending allotment

The Hon'ble National Company Law Tribunal ("NCLT"), has approved the Scheme of Arrangement (hereinafter referred to as "the Scheme") by way of demerger between Emaar MGF Land Limited ("Demerged Company") and MGF Developments Limited ("Resulting Company") on July 16, 2018 vide Order no. 7869 and accordingly, pursuant to the provision of the Companies Act, 2013, Effective Date of Demerger Scheme is July 16, 2018.

Pursuant to the aforesaid Scheme, the Resulting Company shall issue and allot equity shares in the Resulting Company ("New Equity Shares") to the shareholders of the Demerged Company, whose names appear in the Register of Members of the Demerged Company as on the Record Date, in the Ratio of 9 (Nine only) equity shares of INR 10.00 each of the Resulting Company, credited as fully paid-up for every 416 (Four Hundred and Sixteen only) equity shares of INR 10.00 each, fully paid-up held in the Demerged Company.

Further, pursuant to Clause 12 "Upon the Scheme coming into effect, the issued, subscribed and paid up share capital of the Demerged Company shall stand reduced, on a proportionate basis, from the present sum of Rupees Nine Billion One Hundred Twenty Six Million One Hundred Ninety Eight Thousand Four Hundred Fifty (INR 9,126,198,450) divided into Nine Hundred Twelve Million Six Hundred Nineteen Thousand Eight Hundred Forty Five (912,619,845) equity shares of the face value of Rupees Ten (INR 10) each fully paid to Nine Hundred Twelve Million Six Hundred Nineteen Thousand Eight Hundred Fifty (912,619,850) divided into Ninety One Million Two Hundred Sixty One Thousand Nine Hundred Eighty Five (91,261,985) equity shares of the face value of Rupees Ten (INR 10) each fully paid."

In the view of above, pursuant to the aforesaid clauses of the Scheme, the paid up share capital of Demerged Company had been reduced on Effective Date. Hence the Resulting Company can issue the share those shareholders in their proportion of shares held in Demerged Company on the Record Date.

Further, on June 03, 2019 the Resulting Company has filed petition to NCLT for implementation of aforesaid Scheme and to appoint a Court Person to supervise the implementation of Scheme. Accordingly, the Resulting Company shall issue that much number of shares as directed by Court Officer/NCLT. Pending the proper implementation of the scheme, the Resulting Company on conservative basis has accounted the maximum amount of shares required to be issued bases on pre reduced capital of Demerged Company on the effective date in the form of Share Pending Allotment" in its financial statement ending March 31, 2019.



19 Other equity

	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
<b>Securities premium account</b>		
Opening balance	12,393.64	12,393.64
Closing balance (A)	12,393.64	12,393.64
<b>General reserve</b>		
Opening balance	324.39	324.39
Closing balance (B)	324.39	324.39
<b>Capital reserve</b>		
Opening balance	-	-
Adjustment on account of demerger	217,601.88	-
Closing balance (C)	217,601.88	-
<b>Surplus in the statement of profit and loss</b>		
Opening balance	12,769.49	10,990.78
Add: profit for the year	(25,891.29)	1,778.71
Closing balance (D)	(13,121.80)	12,769.49
<b>Other comprehensive income</b>		
Opening balance	(4.46)	(1.82)
Add: Remeasurement of post employment benefit obligations	(2.48)	(2.64)
Closing balance (E)	(6.94)	(4.46)
<b>Deemed capital contribution</b>		
Opening balance	71.25	71.25
Add/Less: Financial guarantee given/taken during the year	6.71	0.00
Closing balance (F)	77.96	71.25
<b>Total other equity (A+B+C+D+E+F)</b>	<b>217,269.13</b>	<b>25,554.31</b>

20 Non current borrowings

	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
<b>Secured</b>		
Financial Institutions	8.11	3,763.39
From Banks	4,360.44	-
Amount disclosed under the head "other current financial liabilities"	(219.30)	(379.67)
	<b>4,149.25</b>	<b>3,383.72</b>

Loan from HDFC Ltd. of Rs. 45 Crores

1. This Loan has been disbursed by HDFC Bank to the company vide sanction letter dtd. November 20, 2015 (Reference No. HDFC/MGFDL/OL-7).

2. The applicable rate of interest on the entire loan shall be variable and linked to HDFC's Corporate Prime Lending Rate (HDFC CPLR) and shall always be 5.55 basis points lower than the prevailing HDF-CPLR. The HDFC-CPLR(at the time loan is sanctioned) is 17.55% per annum and therefore, the applicable rate of interest on the loan sanctioned is 12.00% per annum.

3. This loan shall be repaid by way of 108 Equated Monthly Installments:107 (One Hundred and Seven) Equated Monthly Installments (EMI) of INR 6,834,346 each, w.e.f. February 2, 2016 followed by 108th EMI of INR 6,556,326 at the end of 108th month.



**4. The loan is secured by:**

- (a) Assignment of lease rentals via escrow mechanism from the following companies
- Shoppers Stop Limited (for both Metropolitan Mall, Gurgaon and Metropolitan Mall, Saket),
  - Connaught Plaza Restaurants Private Limited,
  - Bistro Hospitality Private Limited,
  - PVR Limited,
  - Nath Motors Private Limited,
  - Decon Lifestyle Private Limited,
- And any future tenants replacing the aforementioned tenants.
- (b) First and/or Extension of Equitable Mortgage of the related areas in sanction letters.
- (c) Personal Guarantee of Mr. Shravan Gupta.
- (d) And/or any other security or equivalent or higher value as may be acceptable to HDFC.

**Loan from HDFC Bank Ltd. of Rs. 8.98 lacs**

- This Loan has been disbursed by HDFC Bank Limited to the company against hypothecation of Car.
- The applicable rate of interest on the entire loan shall be 9.35% per annum.
- This loan shall be repaid by way of 37 Equated Monthly Installments of INR 28,031 each, w.e.f. December 7, 2018.

**Loan from IndusInd Bank of Rs. 55 Crores**

- This Loan has been disbursed by IndusInd Bank to the company vide sanction letter dtd. March 19, 2018 (Reference No. IBL/CAD North/2017-18/4927).
- The applicable rate of interest is mutually agreed between both the parties.
- This loan shall be repaid by way of 144 structured Monthly Installments i.e. average EMI of Rs. 5,367,837 w.e.f. February, 2018.

**Primary Security**

Assignment of lease rentals via escrow mechanism from the following companies received by MGF Developments Limited. (MGF)

- Shoppers Stop (both Metropolitan Mall, Gurgaon and Metropolitan Mall, Saket)
  - Connaught Plaza Restaurants Private Limited.
  - Bistro Hospitality Private Limited.
  - PVR Limited. (both screen and food area)
  - Nath Motors Private Limited.
  - Decon Lifestyle Private Limited.
- (or any other lessee for demised premises with prior noting with credit)

Assignment of lease rentals via escrow mechanism for PVR (both screen and food area) received by Discovery Estates Private Limited (DE)

(or any other lessee for demised premises with prior noting with credit)

**Collateral Security**

- First and exclusively charge of Equitable mortgage of the following commercial area in Metropolitan Mall, Gurgaon
- 6,801.67 square feet of commercial area in ground floor and 23,812.8 square feet of commercial area in first floor of the mall, currently leased to Shoppers Stop Limited and owned by MGF.
- 3,014 square feet of commercial area in ground floor of the mall, currently leased to Connaught Plaza Restaurants Private Limited and owned by MGF.
- 2,825 square feet of commercial area in lower ground floor, 2,825 square feet of commercial area in ground floor and 2,825 square metre commercial area in first floor of the mall currently leased to Bistro Hospitality Private Limited and owned by MGF.
- 3,250 square feet of commercial area in third floor and 8,500 square feet of commercial area in 4th floor of the mall currently leased to PVR limited by MGF development limited and owned by MGF.
- 3,250 square feet of commercial area in 3rd floor and 8,500 square feet of commercial area of the mall, currently leased to PVR limited by DE and owned by DE.

- First and exclusive charge of ground floor (Shop 1 to 6 and 15 to 18 with leasable area of 10,083 square feet) in metropolitan Mall, Gurgaon currently leased to Decon Lifestyle Private Limited and owned by MGF.
- First and exclusive charge of shop number G1 with leasable area of 14,889.60 square feet in ground floor and shop number F1 with leasable area of 18,711.76 square feet in first floor on metropolitan Mall, Saket currently leased to shoppers Stop limited and owned by MGF

The Valuations of Property should be assigned to top notch firm (CBRE/JLL).



#### Personal Guarantee

- Personal guarantee of Mr. Shravan Gupta  
(Borrower to undertake that no commission has been/will be paid to guarantors on extending their guarantee for the advance.)

#### Other

- DSRA equivalent to 1 quarter (interest + principal) to be kept a upfront.

#### Collateral coverage

- To be maximum of 2x exclusively to IBL.

#### Creation and perfection of Security

- Agreement to assign receivables along with POA to be created upfront before disbursement.  
- Security creation and perfection to be done within 90 days from the date of disbursement.

#### 21 Long term provisions

	<i>(Amount in Rupees lacs)</i>	
	As at March 31, 2019	As at March 31, 2018
Provision for gratuity	37.38	26.92
Provision for leave encashment	15.33	9.93
	<u>52.71</u>	<u>36.85</u>

#### 22 Current borrowings

	<i>(Amount in Rupees lacs)</i>	
	As at March 31, 2019	As at March 31, 2018
<b>Unsecured Loans from Related Parties</b>		
Directors	42.40	42.40
Inter Corporate Deposit (Bearing Interest)	777.39	763.00
Inter Corporate Deposit (Interest Free)	769.08	1,685.24
Government Fees	6,196.61	-
<b>Unsecured Loans from Other Parties</b>		
Other Inter Corporate Deposit (Interest Free)	4,579.80	4,797.70
	<u>12,365.28</u>	<u>7,288.34</u>

#### 23 Trade payables

	<i>(Amount in Rupees lacs)</i>	
	As at March 31, 2019	As at March 31, 2018
Trade Payable for Services	65.10	110.56
Trade Payable Project	8,901.50	1,382.90
	<u>8,966.60</u>	<u>1,493.46</u>

#### 24 Other current financial liability

	<i>(Amount in Rupees lacs)</i>	
	As at March 31, 2019	As at March 31, 2018
Current maturities of Loans from Financial Institution	219.30	379.67
<b>Non-convertible debentures</b>		
NCD 22,600 (refer note below)	69,580.00	-
Premium on NCD 2,260	2,589.55	-
Finance lease obligations (Jasola)	6,926.94	-
Interest accrued and not due on NCD 2,260	23,073.92	-
Interest accrued and due on EDC/IDC payable	5,953.30	-
Advances received towards collaboration agreements	8,450.00	-
Interest accrued and due	-	14.39
Book Overdebts	35.22	928.31
Security Deposits from Customers	1,013.35	1,022.00
Security Deposits - Others	7,000.00	7,000.00
Due to Joint Ventures	7,380.49	6,413.13
Trade Payable for Capital Goods	136.09	136.09
	<u>132,358.16</u>	<u>15,893.59</u>

#### Note

Liability has come via Demerger order according to which new NCDs have to be issued by the Company to existing holders of the NCDs. The Company has filed petition to NCLT for non-implementation of the said scheme by Emaar MGF. As per the said scheme, the security package along with guarantee of the security has yet not been effected by EMAAR MGF Land Limited. Therefore, the said Liability is recognised in the books of accounts, however, the same is not properly identified and disclosed by the Company due to pending absolute implementation of Scheme as per demerged order.





25 Other current liability

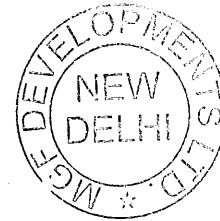
	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
Booking Advances from Customers	3,659.25	3,849.65
Other Payable	8,540.86	5,318.52
Advances for CAM & Electricity - Vilas	-	4.03
<b>Duties &amp; Taxes</b>		
TDS	31.67	75.11
Service Tax/GST	5.53	136.33
Provident Fund/ESI	7.41	3.12
	<b>12,244.72</b>	<b>9,386.76</b>

26 Current provisions

	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
Provision for gratuity	6.98	4.74
Provision for leave encashment	2.19	1.77
	<b>9.17</b>	<b>6.51</b>

27 Current tax liabilities (net)

	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
Provision for tax (net of advance tax as at March 31, 2019 INR 423.62 lacs (March 31, 2018: INR 423.62 lacs))	1,565.03	605.38
<b>Total Short Term Provision</b>	<b>1,565.03</b>	<b>605.38</b>



## 28 Revenue from operations

	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
a) Sales	(139.52)	1,769.24
b) Rent	1,234.14	1,344.72
c) Other Operating Revenue:-		
Electricity & Water Receipts	110.87	108.08
Maintenance Income	0.00	44.98
Transfer Charges	2.14	55.71
	<u>1,207.63</u>	<u>3,322.73</u>

## 29 Other income

	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
Interest Income	63.55	48.45
Interests income on debentures	-	-
Profit on Sale of Investments	1,420.48	242.39
Reversal of expected credit loss	-	979.39
Dividend Income	1.68	1.56
Finance Income	86.40	7.08
Income on restatement of mutual fund	-	130.39
Miscellaneous Income	12,982.28	1.99
	<u>14,554.39</u>	<u>1,411.25</u>

## 30 Cost of Materials Consumed

	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
Cost of Material Consumed	(51.71)	1,828.34
Total Cost of material Consumed	<u>(51.71)</u>	<u>1,828.34</u>

## 31 Purchase of Stock-in-Trade

	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
Purchase of Stock-in-Trade	32.75	157.28
	<u>32.75</u>	<u>157.28</u>

## 32 (Increase) / Decrease in Inventories

	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
Closing stock		
- Finished goods	8,557.09	8,390.00
	<u>8,557.09</u>	<u>8,390.00</u>
Opening stock		
- Finished goods	8,390.00	6,501.15
	<u>8,390.00</u>	<u>6,501.15</u>
	<u>(167.09)</u>	<u>(1,888.85)</u>

## 33 Employee benefit expenses

	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
Salary & Other Allowances	494.61	314.60
Contribution to PF	28.73	19.33
Staff Welfare Expenses	12.39	9.93
	<u>535.73</u>	<u>343.86</u>

## 34 Finance cost

	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
Interest Charges on Term Loans	440.84	476.70
Loan processing Fees	98.21	-
Interest Charges on ICD	64.85	64.85
Finance cost	9,436.78	13.71
	<u>10,040.68</u>	<u>555.26</u>



35 Depreciation & Amortisation

	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
Depreciation	24.68	17.77
Amortisation	0.50	0.67
	<b>25.18</b>	<b>18.44</b>

36 Other expenses

	(Amount in Rupees lacs)	
	As at March 31, 2019	As at March 31, 2018
Power & Fuel	171.72	195.19
Rent	363.06	382.36
Repair & Maintenance Building	39.56	20.23
Repair & Maintenance Plant & Machinery	17.93	17.48
Bank Charges	2.26	6.66
Insurance Charges	2.64	2.56
Rates & Taxes	88.46	130.13
Compensation, Rebate & Discount	25.12	50.34
Legal & Professional Charges (refer note below)	1,465.60	860.48
Claims	20,106.71	-
Loss on settlement claims	8,326.69	-
Security Expenses	22.09	24.65
Tours and Travelling	216.95	138.27
Provision for doubtful debts	670.98	-
Loss on Sale of Fixed Assets	1.02	7.52
Miscellaneous Expenses	1,786.90	233.22
	<b>33,307.69</b>	<b>2,069.09</b>

Remuneration to auditors (excluding goods and service tax)

	As at March 31, 2019	As at March 31, 2018
	Statutory audit	8.00
	1.50	1.50
Total	<b>9.50</b>	<b>9.50</b>



MGF DEVELOPMENTS LIMITED

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

37 Disclosure as per Ind AS 33 on 'Earnings per Share'

	(Amount in Rupees lacs)	
	March 31, 2019	March 31, 2018
Basic earning per share (a)/(b)	(43.32)	2.98
Diluted earning per share (a)/(b)	(43.32)	2.98
Nominal value per share	10.00	10.00
<b>Profit attributable to equity shareholders</b>		
From continuing operations (a)	(25,888.82)	1,778.71
	<u>(25,888.82)</u>	<u>1,778.71</u>
<b>Weighted average number of shares</b>	<b>No of shares</b>	<b>No of shares</b>
Weighted average number of equity shares for the year (b)	59,765,070	59,765,070

At present, the Company does not have any dilutive potential equity shares.

38 Contingent liabilities, contingent assets and commitments

A. Commitments:

Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for - to related party [Net of advances of INR 4,353.72 lacs (March 31, 2018: INR 4,353.72 lacs)]

Total capital commitments

	March 31, 2019	March 31, 2018
	5,886.28	5,886.28
	<u>5,886.28</u>	<u>5,886.28</u>

B. Contingent liabilities:

- a. Securities/ Performance guarantee provided to various government authorities/others  
b. Claims against the Company not acknowledged as debts (refer note i)

	459	
	March 31, 2019	March 31, 2018
	292.87	459.20
	449.19	522.52

Note (i) Details of claims against the Company not acknowledged as debt

Particulars	Section	Year pertaining	March 31, 2017	March 31, 2018
Income tax	148	2004-05	49.24	49.24
Income tax	143(3)	2009-10	47.74	47.74
Income tax	220(2)	2009-10	6.60	6.60
Income tax	220(2)	2009-10	3.34	3.34
Income tax	153A	2010- 11	6.06	6.06
Income tax	220(2)	2010- 11	14.80	14.80
Income tax	143(1)(a)	2011- 12	319.23	389.28
Income tax	143(1)(a)	2012-13	0.00	0.87
Income tax	153A	2014-15	0.00	2.41
Income tax	143(3)	2015-16	2.18	2.18
<b>Total</b>			<u>449.19</u>	<u>522.52</u>

Amount above includes:

The management is of the opinion that, based on issues decided in the earlier year and the legal advice that the ultimate outcome of the legal proceedings in respect to tax matters, as given above, will not have material adverse effect to the financial position of the Company.

The management is of the opinion that, based on issues decided in the earlier year and the legal advice that the ultimate outcome of the legal proceedings in respect to tax matters, as given above, will not have material adverse effect to the financial position of the Company.

C. Contingent assets:

The Company does not have any contingent assets as at March 31, 2019 and March 31, 2018

39 Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and EDLI, which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

Contribution to provident fund



Year ended	Year ended
March 31, 2018	March 31, 2017
28.73	19.33

(ii) Defined Benefit Plan:

Gratuity

The Company operates a post-employment defined benefit plan for Gratuity. This plan entitles an employee to receive half month's salary for each year of completed service at the time of retirement/exit.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognize each period of service as giving rise to additional employee benefit entitlement and measures each unit separately to build up the final obligation.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. The following table set out the status of the defined benefit obligation

	March 31, 2019	March 31, 2018
Net defined benefit liability (Assets)/Liability for Gratuity	44.36	31.66
<b>Total employee benefit liabilities</b>	<b>44.36</b>	<b>31.66</b>
Non-current	37.38	26.92
Current	6.98	4.74

B. Reconciliation of the net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	March 31, 2019			March 31, 2018		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	31.66	-	31.66	27.46	-	27.46
<b>Included in profit or loss</b>						
Current service cost	8.11	-	8.11	5.23	-	5.23
Interest cost (income)	2.45	-	2.45	2.02	-	2.02
	10.56	-	10.56	7.25	-	7.25
<b>Included in OCI</b>						
Remeasurements loss (gain)						
- Total actuarial loss/(gain) on obligation	3.34	-	3.34	3.94	-	3.94
	3.34	-	3.34	3.94	-	3.94
<b>Other</b>						
Benefits paid	(1.20)	-	(1.20)	(6.99)	-	(6.99)
	(1.20)	-	(1.20)	(6.99)	-	(6.99)
Balance at the end of the year	44.36	-	44.36	31.66	-	31.66

C. Expenses Recognised in the statement of profit and loss for the year

	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	8.11	5.23
Interest cost	2.45	2.02
	10.56	7.25

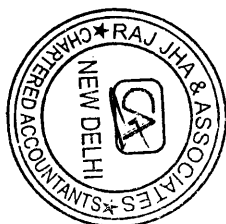
D. Plan assets

Plan assets comprises of the following:

Funds Managed by Insurer

March 31, 2019	March 31, 2018
-	-

On an annual basis, an asset-liability matching study is done by the Company whereby the Company contributes the net increase in the actuarial liability to the plan manager in order to manage the liability risk.



**D. Actuarial assumptions****a. Economic assumptions**

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been selected by the company.

	March 31, 2019	March 31, 2018
Discount rate	7.66%	7.73%
Expected rate of future salary increase	6.00%	6.00%

The discount rate has been assumed at 7.66% (March 31, 2018: 7.73%) which is determined by reference to market yield at the balance sheet date on government securities. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**b. Demographic assumptions**

	March 31, 2019	March 31, 2018
i) Retirement age (years)	59.00	59.00
ii) Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	
iii) Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Upto 30 years	7	7
From 31 to 44 years	2	2
Above 44 years	2	2

**E. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	March 31, 2018		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(1.75)	1.88	(1.31)	1.41
Future salary growth (0.50% movement)	1.91	(1.79)	1.43	(1.34)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

**Description of Risk Exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

- A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B) Investment Risk - If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Mortality & disability - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**F. Expected maturity analysis of the defined benefit plans in future years**

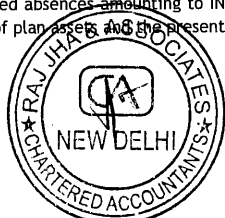
Particulars	March 31, 2019	March 31, 2018
<b>Duration of defined benefit obligation</b>		
Less than 1 year	6.98	4.74
Between 1-2 years	0.75	0.60
Between 2-5 years	4.31	1.83
Over 5 years	32.32	24.49
<b>Total</b>	<b>44.36</b>	<b>31.66</b>

Expected contributions to post-employment benefit plans for the year ending March 31, 2019 are INR 14.06 lacs.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 12.14 years (March 31, 2018: 13.14 years).

**(iii) Other long-term employee benefits:**

The company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. During the year ended March 31, 2019, the Company has incurred an expense on compensated absences amounting to INR 10.80 lacs (previous year INR 9.45 lacs). The Company determines the expense for compensated absences basis the actuarial valuation of plan assets and the present value of the obligation, using the Projected Unit Credit Method.



A. The following table set out the status of the defined benefit obligation

	March 31, 2019	March 31, 2018
<b>Net defined benefit liability</b>		
Liability for earned leave	17.52	11.70
<b>Total employee benefit liabilities</b>	<b>17.52</b>	<b>11.70</b>
Non-current	15.33	9.93
Current	2.19	1.77

B. Reconciliation of the net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	March 31, 2018		March 31, 2017			
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	11.70	-	11.70	13.00	-	13.00
<b>Included in profit or loss</b>						
Current service cost	6.10	-	6.10	4.31	-	4.31
Interest cost (income)	0.91	-	0.91	0.96	-	0.96
- Total actuarial loss/(gain) on obligation	3.79	-	3.79	4.18	-	4.18
	<b>10.80</b>	<b>-</b>	<b>10.80</b>	<b>9.45</b>	<b>-</b>	<b>5.27</b>
<b>Other</b>						
Benefits paid	(4.98)	-	(4.98)	(10.75)	-	(10.75)
	<b>(4.98)</b>	<b>-</b>	<b>(4.98)</b>	<b>(10.75)</b>	<b>-</b>	<b>(10.75)</b>
Balance at the end of the year	17.52	-	17.52	11.70	-	7.52

C. Expenses Recognised in the statement of profit and loss for the year

	Year ended March 31, 2018	Year ended March 31, 2017
Current service cost	6.10	4.31
Interest cost	0.91	0.96
Actuarial loss (gain)	3.79	4.18
	<b>10.80</b>	<b>9.45</b>

D. Actuarial assumptions

a. Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been selected by the company.

	March 31, 2019	March 31, 2018
Discount rate	7.66%	7.73%
Expected rate of future salary increase	6.00%	6.00%

The discount rate has been assumed at 7.66% (March 31, 2018: 7.73%) which is determined by reference to market yield at the balance sheet date on government securities. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b. Demographic assumptions

	March 31, 2019	March 31, 2018
i) Retirement age (years)	59	59
ii) Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	
iii) Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Upto 30 years	7	7
From 31 to 44 years	2	2
Above 44 years	2	2

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	March 31, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(0.80)	0.87	(0.54)	0.59
Future salary growth (0.50% movement)	0.88	(0.82)	0.60	(0.55)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.



**Description of Risk Exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Investment Risk - If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) Mortality & disability - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E) Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**F. Expected maturity analysis of the defined benefit plans in future years**

Particulars	March 31, 2019	March 31, 2018
<b>Duration of defined benefit obligation</b>		
Less than 1 year	2.19	1.77
Between 1-2 years	0.39	0.25
Between 2-5 years	1.26	0.72
Over 5 years	13.68	8.96
<b>Total</b>	<b>17.52</b>	<b>11.70</b>

Expected contributions to post-employment benefit plans for the year ending 31 March 2018 are INR 7.60 lacs.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 12.14 years (March 31, 2018: 13.17 years).

**40 Disclosure as per Ind AS 108 on 'Operating segments'**

Segment information is presented in respect of the company's key operating segments. The operating segments are based on the company's management and internal reporting structure.

**Operating Segments**

The board of directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any facility. The Company's board reviews the results of "residential, commercial and retail real estate development." on a quarterly basis. The company's board of directors uses Earning Before Interest, Tax and Depreciation ('EBITDA') to assess the performance of the operating segments. Accordingly, there is only one Reportable Segment for the Company which is "residential, commercial and retail real estate development.", hence no specific disclosures have been made.

**Entity wide disclosures****Information about products and services**

Company deals in one business namely "provision of education and related services". Therefore product wise revenue disclosure is not applicable.

**Information about geographical areas**

Company operates under single geographic location, there are no separate reportable geographical segments.

**Information about major customers (from external customers)**

The Company derives revenues from the following customers which amount to 10 per cent or more of an entity's revenues:

Customer	March 31, 2019	March 31, 2018
Shoppers Stop Limited	682.68	659.71
Pradeep Jain	-	340.00
Nirmal Singh & Prem Kaur	-	346.82

**41 Leases****Operating leases**

The Company is a lessee under an operating leases. The lease terms of premise range from 1 to 5 years and accordingly are short term leases, with an option to renew the lease after that period. Lease payments are renegotiated every five years to reflect market rentals. Expected future minimum commitments for non-cancellable leases are as follows:

	(Amount in Rupees lacs)	
	March 31, 2019	March 31, 2018
<b>(i) Future minimum lease payments</b>		
Not later than one year	251.00	109.29
Later than one year but not later than five year	66.00	94.84
Later than five year	-	-
<b>Total</b>	<b>317.00</b>	<b>204.13</b>





(ii) Amounts recognised in profit and loss account

	Year ended March 31, 2018	Year ended March 31, 2017
Lease expense- minimum lease payments	363.06	382.36

42 In terms of the clause 22 of chapter V micro, small and Medium enterprises development Act 2006 (MSMED act 2006), the disclosure of payments due to any supplier as at March 31, 2018 are as follows:

Particulars

	March 31, 2019	March 31, 2018
--	----------------	----------------

The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting period included in

Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-

The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the period) but without adding the interest specified under the MSMED Act, 2006.

The amount of interest accrued and remaining unpaid at the end of each accounting period

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 under section 23 of the MSMED Act 2006.

43 Deferred tax

A. Amounts recognised in profit or loss

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Current tax</b>		
Current year	-	110.54
Minimum Alternate Tax	-	(86.35)
	-	24.19
<b>Deferred tax</b>		
Change in recognised temporary differences	(2,060.27)	(152.34)
Earlier year tax adjustments	(12.12)	-
	(2,072.39)	(152.34)
<b>Total tax expense</b>	(2,072.39)	(128.15)

B. Amounts recognised in other comprehensive income

	For the year ended March 31, 2019			For the year ended March 31, 2018		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Remeasurements of defined benefit liability	(3.34)	0.87	(2.47)	(3.94)	1.30	(2.64)
	(3.34)	0.87	(2.47)	(3.94)	1.30	(2.64)

C. Reconciliation of effective tax rate

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Rate	Amount	Rate	Amount
Profit before tax		(27,961.21)		1,650.56
Tax using the Company's domestic tax rate	26.00%	(7,269.91)	33.06%	545.72
Tax effect of:				
On account of IND As adjustments		-		-
On account of timing difference		5,209.64		(692.78)
On account of permanent difference		-		5.63
On account of remeasurement of financial liabilities/ assets		-		(41.48)
On account of special rate of income tax		-		(7.18)
On account of exempt income		-		(0.52)
On account of brought forward losses		-		62.45
On account of earlier year tax adjustments		(12.12)		-
	26.00%	(2,072.39)	33.06%	(128.16)



D. Movement in temporary differences

	As at 31 March 2018	Recognized in P&L	Recognized in OCI	As at 31 March 2019
<b>Deferred tax assets</b>				
Property, plant and equipment	1,098.02	(321.82)	-	776.20
Provisions for employee benefits	14.34	0.87	(0.87)	16.08
Trade receivables	519.55	63.46	-	583.01
Other non current financials assets- security deposits	2.20	0.38	-	2.58
Brought forward losses	493.90	(105.51)	-	388.39
Unwinding of finance cost on debenture	-	432.87	-	432.87
Unwinding of finance cost on preference shares	-	1,999.12	-	1,999.12
<b>Sub- Total (a)</b>	<b>2,128.01</b>	<b>2,069.37</b>	<b>(0.87)</b>	<b>4,198.25</b>
<b>Deferred tax liabilities</b>				
Other non current assets- financial guarantee receivable	12.51	0.93	-	11.58
Other current financials assets- advance to employees	1.48	1.33	-	0.15
Processing charges	7.37	(11.04)	-	18.41
Financial guarantee receivable	2.08	(0.32)	-	2.40
<b>Sub- Total (b)</b>	<b>23.44</b>	<b>(9.10)</b>	<b>-</b>	<b>32.54</b>
<b>Net deferred tax assets (a)-(b)</b>	<b>2,104.57</b>	<b>2,060.27</b>	<b>(0.87)</b>	<b>4,165.71</b>

	As at 31 March 2017	Recognized in P&L	Recognized in OCI	As at 31 March 2018
<b>Deferred tax assets</b>				
Property, plant and equipment	559.71	538.30	-	1,098.02
Provisions for employee benefits	13.38	(0.34)	(1.30)	14.34
Trade receivables	843.37	(323.82)	-	519.55
Other non current financials assets- security deposits	4.39	(2.19)	-	2.20
Other current financials assets- advance to employees	0.22	(0.22)	-	-
Brought forward losses	556.35	(62.45)	-	493.90
<b>Sub- Total (a)</b>	<b>1,977.42</b>	<b>149.28</b>	<b>(1.30)</b>	<b>2,128.01</b>
<b>Deferred tax liabilities</b>				
Other non current assets- financial guarantee receivable	13.65	(1.14)	-	12.51
Other current financials assets- advance to employees	-	1.48	-	1.48
Processing charges	8.54	(1.17)	-	7.37
Financial guarantee receivable	4.31	(2.23)	-	2.08
<b>Sub- Total (b)</b>	<b>26.50</b>	<b>(3.06)</b>	<b>-</b>	<b>23.44</b>
<b>Net deferred tax assets (a)-(b)</b>	<b>1,950.92</b>	<b>152.34</b>	<b>(1.30)</b>	<b>2,104.57</b>

E. Income tax recognised directly in equity

	March 31, 2019			March 31, 2018		
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
Deemed capital contribution	-	-	-	-	-	-

F. Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows:

	March 31, 2019	Expiry date	March 31, 2018	Expiry date
Expire	20,433.90	2023-24	1,481.06	2023-24
Never expire	12.75	2025-26	12.75	2025-26

44 Corporate Social Responsibility

The board of directors approved CSR Policy of the Company at its meeting held on November 7, 2014. In accordance with the provisions of Section 135 of the Companies Act, 2013 read with guidelines issued by DPE, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The Company was required to spend INR 54.52 lacs (March 31, 2018: INR 45 lacs) on prescribed CSR activities. During the FY 2018-19 Company spent 69 lacs on CSR activities.



#### 45 Related Party Disclosure

The Disclosure as required by the Indian Accounting Standard - 24 (Related Party Disclosure) are given below:-

(a) List of related parties with whom transactions have taken place and relationships:

a) Holding Company	:	Discovery Estates Pvt. Ltd.
b) Subsidiary Company	:	Crimson Holdings Private Limited
	:	Kayo Developers Private Limited
	:	Samishti Real Estate Private Limited
	:	MGFD Ventures Private Limited
	:	Avinashi Buildtech Private Limited
	:	Cassock Properties Private Limited
	:	Chhavi Buildtech Private Limited
	:	Easter Conbuild Private Limited
	:	Ecstasy Conbuild Private Limited
	:	Emaar MGF Construction Private Limited
	:	Ethic Conbuild Private Limited
	:	Gait Propbuild Private Limited
	:	Glimpse Propbuild Private Limited
	:	Godson Propbuild Private Limited
	:	Gran Propbuild Private Limited
	:	Grapeshot Propbuild Private Limited
	:	Lifeline Buildtech Private Limited
	:	Locus Propbuild Private Limited
	:	Mega City Promoters Private Limited
	:	MG Colonizers Private Limited
	:	Pipalashray Estate Private Limited
	:	Prayas Buildcon Private Limited
	:	Spiritual Realtors Private Limited
	:	Sukhda Promoters Private Limited
	:	Tushar Projects Private Limited
c) Associate Company	:	Discovery Holdings Private Limited
	:	MGF Estates Management Private Limited
	:	MGF Promotions & Events Private Limited
	:	SSP Aviation Limited
	:	VMR Promoters Private Limited
	:	Acreege Builders Private Limited
	:	North Delhi Metro Mall Private Limited
	:	MGF Projects Private Limited
	:	MGF Housing & Infrastructure Private Limited
	:	Metroplex Construction Private Limited
	:	MGF Promoters Private Limited
	:	MGF Infotech Private Limited
	:	Emaar MGF Land Limited
	:	Aryan Life Style Private Limited
	:	Emaar MGF Education Private Limited
	:	Radiant Promoters Private Limited
	:	Yashasvi Buildtech Private Limited
	:	MGF Promotions And Events Private Limited
	:	MGF Estates Management Private Limited
	:	Divine Build Tech Private Limited
	:	Pushpak Promoters Private Limited
	:	Shailvi Estates Private Limited
	:	Bewilder Builders Private Limited
	:	MGF Market Place Mall Management Private Limited
	:	Janata Cinemas Properties And Finance Limited
	:	Upper India Hire Purchase Companies Association Limited
	:	Hyline Mediconz Private Limited
	:	MGF Auto Sales Private Limited
	:	Discovery Holdings Private Limited
	:	Grosvenor Estates Private Limited
	:	MGF Securities Private Limited
	:	Cards Services India Private Limited
	:	Gee Gee Holdings Private Limited
	:	Nap Sales Private Limited
	:	MGF Services Limited
	:	India Lease Development Limited
	:	Bahubali Services Limited
	:	Technofab Engineering Limited
	:	The Motor And General Finance Limited
	:	Ram Prakash And Co Pvt Ltd
	:	Vishnu Apartments Pvt. Ltd.
	:	Jayabharat Credit Limited
	:	Loam Realtors Private Limited

d) Joint Venture

e) Enterprises in which key management personnel and their relatives are able to exercise significant influence.



f) Enterprises in which holding/subsidiary are able to exercise significant influence.

- : Cameo Realtors Private Limited
- : Alcove Realtors Private Limited
- : Spike Conbuild Private Limited
- : Shanti Apparels Manufacturing Co Private Limited
- : Speckle Realtors Private Limited
- : Namokar Finvest Pvt. Ltd.
- : Tabco Real Estate Private Limited
- : SSP Buildcon Private Limited
- : Meteor Propbuild Private Limited
- : Raisin Estate Private Limited
- : RJ Propbuild Private Limited
- : Samishti Real Estate Private Limited
- : Salar Promoters Private Limited
- : Amplify Developers Private Limited
- : Bounty Builders & Developers Private Limited
- : Buildout Real Estate Developers Private Limited
- : Companion Builders Private Limited
- : Companion Estates Private Limited
- : Dedicated Buildcon Private Limited
- : Dexterous Buildcon Private Limited
- : Ethan Traders Private Limited
- : GGN Hills Development Private Limited
- : Golf Course Road Development Private Limited
- : Kingpin Realtors Private Limited
- : Liberate Builders & Developers Private Limited
- : Meadows Development Private Limited
- : Mohali Residency Development Private Limited
- : Optimum Builders Private Limited
- : Practical Developers Private Limited
- : Practical Estates Private Limited
- : Practical Homes Private Limited
- : Profusion Real Estate Private Limited
- : Prosperous Builders & Developers Private Limited
- : Sector 76 Development Private Limited
- : Sedate Realtors Private Limited
- : Sprout Tradecom Private Limited
- : Virtuous Builders Private Limited
- : Welfare Real Estate Developers Private Limited
- : Windfall Builders & Developers Private Limited
- : Zane Devcon Private Limited
- : Dua Buildtech Private Limited
- : Yog Buildtech Private Limited
- : Zoey Traders Private Limited
- : Abaya Apparels Pvt.Ltd.
- : Aparna Buildcon Pvt.Ltd.
- : Aryan Life Style Pvt. Ltd.
- : Blossom Conbuild Pvt.Ltd.
- : Chirau Propbuild Pvt.Ltd.
- : Elation Real Estate Pvt.Ltd.
- : Ethan Traders Pvt.Ltd.
- : Extol Buildcon Pvt.Ltd.
- : Initia Solutions Pvt.Ltd.
- : Gutsy Builders Pvt.Ltd.
- : Pavni Developers Private Limited
- : Investment in Partnership - MGF Mall Management
- : Investment in Partnership (MGF Event Management)
- : Logistic Buildtech Pvt Ltd
- : Vairagi Projects Private Limited
- : Manbhav Projects Pvt.Ltd.
- : MGF Automobiles Ltd. (Sale of Shares)
- : MGF Housing & Infrastrue P Ltd
- : Sahayog Buildtech Private Limited
- : MGF Infotech Pvt Ltd
- : Sojanya Promoters Private Limited
- : MGF Promoters Pvt Ltd
- : Motive Constructions Private Limited
- : Salar Promoters Pvt.Ltd.
- : Soumya Promoters Pvt.Ltd.
- : SSP Developers Pvt. Ltd.
- : The Vilas Conominium Association
- : MGF Vehicle Sales Private Limited
- : Sareen Estates Private Limited
- : Yashoda Promoters Pvt.Ltd.
- : Dexterity Buildtech Private Limited



g) Key Management Personnel

Director  
Director  
Director  
Director  
Director  
Director  
Director  
Director  
Chief Financial Officer (CFO)  
Company Secretary  
Relative of KMP  
Relative of KMP  
Relatives of KMP

: Nanny Infrastructure Private Limited  
: Columbia Holdings Private Limited  
: Gyandarshani Exim Private Limited  
: Moonlight Continental Private Limited  
: Gadokhar Real Estate Private Limited  
: Karishma Buildtech Private Limited  
: Power Buildtech Private Limited  
: Barden Buildtech Private Limited  
: Valente Real Estate Private Limited  
: Zack Estates Pvt.Ltd.  
:  
: Shravan Gupta  
: Shilpa Gupta  
: Arun Mitter  
: Rakshit Jain  
: Pragati Sachdeva  
: Ratan Kumar Thakur (till July 12, 2018)  
: Khushboo Goel (till December 10, 2018)  
: Sweety Tripathi (from December 10, 2018)  
: Vijay Kumar Sharma  
: Nupur Jain  
: Siddharth Gupta  
: Sudhir Sareen  
: Siddharth Gupta



(b) Details of related party transactions are as below:

Particulars	Holding Company		Subsidiary Company		Associate Company		Joint Venture		Enterprises in which director having		Enterprises where holding/subsidiary		Key Management Personnel	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Amount received on behalf of Joint Venture	-	-	-	-	-	-	-	395.39	-	-	-	-	-	-
Amount paid on behalf of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of services	-	-	-	-	3.94	-	-	-	-	67.72	-	-	-	-
Interest expense on Inter corporate deposit	-	-	-	-	-	-	-	-	58.37	-	-	-	-	-
Inter corporate deposit taken	288.45	496.27	-	-	101.37	8.00	-	-	-	64.85	-	-	-	-
Inter corporate deposit repaid	437.20	37.67	-	-	148.00	-	-	-	-	727.95	-	-	-	-
Investment made	-	-	-	1.00	-	-	-	-	-	-	-	-	-	-
Reversal of sale	244.61	-	-	-	-	-	-	-	11.83	-	-	-	-	-
Reimbursement of expenses for the expenses done on behalf of related party	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses incurred by related party on behalf of company	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inter corporate deposit given	-	-	1,218.89	7.30	30.38	7.15	-	61.18	2,142.90	640.80	7,951.38	750.18	-	-
Inter corporate deposit received back	-	-	300.00	-	44.00	0.92	-	-	751.47	223.08	1,402.08	609.18	-	-
Advance given to staff	-	-	-	-	-	-	-	-	2.70	-	-	-	2.00	3.32
Electricity charges paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale made	-	-	-	-	492.52	-	-	-	-	-	-	462.75	-	-
Professional charges	-	-	-	-	-	-	-	-	0.45	-	-	4.77	-	-
Investment in Debentures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	0.25	-	-	-	-	-	-	-	-	-
Rent paid	-	-	-	-	-	-	-	-	66.00	-	-	-	-	-
Rent income	-	-	-	-	-	-	-	-	-	-	11.70	-	-	-
Loan taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount written off	-	-	-	-	-	-	-	-	-	-	78.26	-	-	-
Advance repaid	-	-	-	-	-	-	-	-	-	-	0.62	-	-	-
Salary paid to KMPs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Directors Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Outstanding balance</b>														
OCL-Booking Advances from Customers	45.50	-	-	-	300.00	-	-	-	16.64	16.64	287.70	247.50	-	-
OCL-Other Payable	-	-	2,281.28	-	-	-	-	-	2.70	-	450.62	1,392.75	0.58	72.04
OCL-Advances for Electricity & CAM - Villas	-	-	-	-	-	-	-	-	-	-	-	0.62	-	-
OCFL-Due to Joint Ventures	-	-	-	-	-	-	-	-	891.47	891.47	790.76	820.76	-	-
OCFL-Trade Payable for Services	-	-	-	-	-	-	-	-	50.97	50.97	1.65	1.25	-	-
Current borrowings_Directors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current borrowings_Inter Corporate Deposit (Interest free)	309.85	-	-	-	96.06	142.69	-	-	348.17	357.36	15.00	15.00	42.40	-
Current borrowings_Inter Corporate Deposit bearing Interest	-	-	-	-	-	-	-	-	777.39	777.39	-	-	-	-
Security deposit receivable	-	-	-	-	-	-	-	-	2,389.36	2,389.36	-	-	-	-
Imprest balance	-	-	-	-	-	-	-	-	-	-	-	-	6.16	4.95
Inter corporate deposit receivable	-	-	-	4,164.03	524.35	537.96	-	70.00	4,063.04	4,481.63	18,884.49	13,075.46	-	-
Other receivables	-	-	-	-	10.84	6.90	-	-	2,000.90	887.54	396.66	539.72	134.71	134.71
Booking Advance	-	-	-	-	2,630.00	2,630.00	-	-	-	-	-	-	-	-
Staff Advance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advance against land	-	-	-	-	-	-	-	-	-	-	-	-	2.60	1.80
Trade Payable -Project	-	-	-	-	-	-	-	-	269.20	651.05	188.85	144.41	2,197.36	-
Trade Receivable	-	85.36	-	-	-	-	-	-	-	-	-	-	-	-

Terms and conditions of transactions with the related parties:

- The terms and conditions of the transactions with key management personnel were no more favorable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.
- All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash. None of the balances are secured.
- For the year ended March 31, 2019 the Company has not recorded any impairment of receivables relating to amounts owed by related party (March 31, 2018: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



MGF DEVELOPMENTS LIMITED

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

46. Fair value measurement and financial instruments

a. Financial instruments - by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

i. As on 31 March 2018

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Investments	-	-	4,336.12	4,336.12	-	-	-
Other financial assets	-	-	249.24	249.24	-	-	-
<b>Current</b>							
Investments	-	-	2,409.41	2,409.41	-	-	-
Trade receivables	-	-	630.28	630.28	-	-	-
Cash and cash equivalents	-	-	1,482.73	1,482.73	-	-	-
Bank balances other than Cash and Cash equivalents	-	-	45.42	45.42	-	-	-
Other financial assets	-	-	40,328.58	40,328.58	-	-	-
<b>Total</b>	-	-	<b>49,481.78</b>	<b>49,481.78</b>			
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings	-	-	3,383.72	3,383.72	-	-	-
<b>Current</b>							
Borrowings	-	-	7,288.34	7,288.34	-	-	-
Trade payables	-	-	1,493.46	1,493.46	-	-	-
Other current financial liabilities	-	-	15,893.59	15,893.59	-	-	-
<b>Total</b>	-	-	<b>28,059.11</b>	<b>28,059.11</b>			

ii. As on 31 March 2019

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Investments	-	-	13,086.86	13,086.86	-	-	-
Other financial assets	-	-	178.55	178.55	-	-	-
<b>Current</b>							
Investments	-	-	3,396.93	3,396.93	-	-	-
Trade receivables	-	-	671.68	671.68	-	-	-
Cash and cash equivalents	-	-	2,142.94	2,142.94	-	-	-
Bank balances other than Cash and Cash equivalents	-	-	836.66	836.66	-	-	-
Other financial assets	-	-	228,543.01	228,543.01	-	-	-
<b>Total</b>	-	-	<b>248,856.63</b>	<b>248,856.63</b>			
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings	-	-	4,149.25	4,149.25	-	-	-
<b>Current</b>							
Borrowings	-	-	12,365.28	12,365.28	-	-	-
Trade payables	-	-	8,966.60	8,966.60	-	-	-
Other current financial liabilities	-	-	132,358.16	132,358.16	-	-	-
<b>Total</b>	-	-	<b>157,839.29</b>	<b>157,839.29</b>			

Level 1: It includes financial instruments measured using quoted prices.

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 and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

The Company's borrowings have been contracted at floating rates of interest. Accordingly, the carrying value of such borrowings (including interest accrued but not due) which approximates fair value.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. Fair value of non-current financial assets which includes bank deposits (due for maturity after twelve months from the reporting date) and security deposits is similar to the carrying value as there is no significant differences between carrying value and fair value.

The fair value for security deposits were calculated based on discounted cash flows 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.



**Valuation processes**

The Management performs the valuations of financial assets and liabilities required for financial reporting purposes on a periodic basis, including level 3 fair values.

There are no transfers between level 1 and level 2 during the year. There are no financial assets/ liabilities measured at fair value/ amortised cost for which level 1 and level 2 inputs have been used. Accordingly, disclosures related to level 1 and 2 inputs are not applicable.

**b. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

**Risk management framework**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors have authorised senior management to establish the processes and ensure control over risks through the mechanism of properly defined framework in line with the businesses of the company.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has policies covering specific areas, such as interest rate risk, foreign currency risk, other price risk, credit risk, liquidity risk, and the use of derivative and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis.





MGF DEVELOPMENTS LIMITED

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

b. Financial risk management (continued)

(i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet

Particulars	March 31, 2019	March 31, 2018
Investments	16,483.79	6,745.53
Trade receivables	671.68	630.28
Cash and cash equivalents	2,142.94	1,482.73
Bank balances other than Cash and Cash equivalents	836.66	45.42
Other financial assets	228,721.56	40,577.82

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's credit risk is primarily to the amount due from customers. The Company maintains a defined credit policy and monitors the exposures to these credit risks on an ongoing basis. Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with scheduled commercial banks with high credit ratings assigned by domestic credit rating agencies.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Company does monitor the economic environment in which it operates and the Company manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

On adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable. The management uses a simplified approach (i.e. based on lifetime ECL) for the purpose of impairment loss allowance, the company estimates amounts based on the business environment in which the Company operates, and management considers that the trade receivables are in default (credit impaired) when counterparty fails to make payments for receivable more than 180 days past due. However the Company based upon historical experience determine an impairment allowance for loss on receivables.

The Company's exposure to credit risk for trade receivables are as follows:

Particulars	Gross carrying amount	
	March 31, 2019	March 31, 2018
1-90 days past due	59.64	43.74
90-180 days past due	9.40	408.96
180-270 days past due	-	10.19
270-360 days past due	-	173.43
more than 360 days past due	2,845.05	1,565.37
	<u>2,914.09</u>	<u>2,201.69</u>

In case of payments due from related parties there is no default as there is insignificant credit risk. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors. Further, the Company does not anticipate any material credit risk of any of its other receivables.

# The Company believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and analysis of customer credit risk.

Movement in the allowance for impairment in respect of trade receivables:

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
Balance at the beginning	1,571.42	2,550.81
Impairment loss recognised / (reversed)	670.98	(979.39)
Amount written off	-	-
Balance at the end	<u>2,242.40</u>	<u>1,571.42</u>



MGF DEVELOPMENTS LIMITED

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

b. Financial risk management (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation

The Company believes that its liquidity position, including total cash (including bank deposits under lien and excluding interest accrued but not due) of INR 2142.94 lacs as at 31 March 2019 (31 March 2018: INR 1482.73 lacs) and the anticipated future internally generated funds from operations will enable it to meet its future known obligations in the ordinary course of business.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and funding from group companies to meet its liquidity requirements in the short and long term.

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and includes interest accrued but not due on borrowings.

As at 31 March 2019	Carrying amount	Contractual cash flows			Total
		Less than one year	Between one year to five years	More than five years	
Non-current borrowing	4,149.25	-	1,122.39	3,026.86	4,149.25
Current borrowing	12,365.28	12,365.28	-	-	12,365.28
Trade payables	8,966.60	8,966.60	-	-	8,966.60
Current maturities of Loans from Financial Institution	219.30	219.30	-	-	219.30
Book Overdebts	35.22	35.22	-	-	35.22
Security Deposits from Customers	1,013.35	1,013.35	-	-	1,013.35
Security Deposits - Others	7,000.00	7,000.00	-	-	7,000.00
Due to Joint Ventures	7,380.49	7,380.49	-	-	7,380.49
Trade Payable for Capital Goods	136.09	136.09	-	-	136.09
<b>Total</b>	<b>41,265.58</b>	<b>37,116.33</b>	<b>1,122.39</b>	<b>3,026.86</b>	<b>41,265.58</b>

As at 31 March 2018	Carrying amount	Contractual cash flows			Total
		Less than one year	Between one year to five years	More than five years	
Non-current borrowing	3,383.72	-	2,754.97	628.75	3,383.72
Current borrowing	7,288.34	7,288.34	-	-	7,288.34
Trade payables	1,493.46	1,493.46	-	-	1,493.46
Current maturities of Loans from Financial Institution	379.67	379.67	-	-	379.67
Interest accrued and due	14.39	14.39	-	-	14.39
Book Overdebts	928.31	928.31	-	-	928.31
Security Deposits from Customers	1,022.00	1,022.00	-	-	1,022.00
Security Deposits - Others	7,000.00	7,000.00	-	-	7,000.00
Due to Joint Ventures	6,413.13	6,413.13	-	-	6,413.13
Trade Payable for Capital Goods	136.09	136.09	-	-	136.09
<b>Total</b>	<b>28,059.11</b>	<b>24,675.39</b>	<b>2,754.97</b>	<b>628.75</b>	<b>28,059.11</b>



**MGF DEVELOPMENTS LIMITED**

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

**B. Financial risk management (continued)**

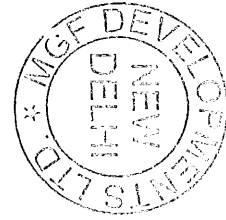
**iii. Market risk**

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, the Company mainly has exposure to two type of market risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**Other price risk**

The company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the company's senior management on a regular basis. The company's Board of Directors reviews and approves all equity investment decisions.

Since the entity's exposure to unlisted equity securities is limited to subsidiary/associate Company and it has opted to measure the same at cost accordingly disclosure related to sensitivity analysis has not been provided.



**MGF DEVELOPMENTS LIMITED**

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

**B. Financial risk management (continued)**

**iii. Market risk**

**Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term and short term borrowings with variable interest rates, which expose the Company to cash flow interest rate risk.

**Exposure to interest rate risk**

The Company's interest rate risk arises majorly from the term loans and cash credit from banks carrying floating rate of interest. These obligations expose the Company's cash flow to interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

The company's fixed rate borrowings 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.

**Variable-rate instruments**

	As at 31 March 2019	As at 31 March 2018
Borrowing (Non current)	4,149.25	3,383.72
Current maturities of borrowings	219.30	379.67
Borrowing (current)	12,365.28	7,288.34
<b>Total</b>	<b>16,733.83</b>	<b>11,051.73</b>

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 50 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or (loss)		Equity, net of tax	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest on term loans from banks				
For the year ended 31 March 2019	(23.14)	23.14	(15.49)	15.49
For the year ended 31 March 2018	(20.13)	20.13	(13.48)	13.48

**47 Capital Management**

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure. 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.

To maintain or adjust the capital structure, the Company may return capital to shareholders, raise new debt or issue new shares.

The Company monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts divided by total capital (equity attributable to owners of the parent plus interest-bearing debts).

Particulars	As at 31 March 2019	As at 31 March 2018
Borrowings	16,734	11,052
Less : Cash and cash equivalent	2,143	1,483
<b>Adjusted net debt (A)</b>	<b>18,877</b>	<b>12,534</b>
<b>Total equity (B)</b>	<b>225,219</b>	<b>31,531</b>
<b>Adjusted net debt to adjusted equity ratio (A/B)</b>	<b>8.38%</b>	<b>39.75%</b>



**MGF DEVELOPMENTS LIMITED**

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

**48 Incorporation pursuant to demerger order**

(a) The National Company Law Tribunal (NCLT) vide its order dated July 16, 2018 approved the arrangement as embodied in the Scheme of arrangement between the Company, MGF Developments Limited (the resulting company) and their respective shareholders and creditors ("Scheme") and the same has been filed with the Registrar of Companies on July 31, 2018. The scheme is effective from the appointed date of September 30, 2015 ("the appointed date"). Accordingly, all the assets, rights, powers, liabilities and duties of the demerged undertaking are incorporated in the Company from the appointed date.

(b) Pursuant to the Scheme, the Company recognised the assets and liabilities of the demerged undertaking at the respective book values as appearing in the books at the close of the day immediately preceding the appointed date. The details of assets and liabilities demerged are as follows:

As on September 30, 2015	(Amount in Rupees lacs)
Tangible assets	41,590.60
Capital work-in-progress	9,766.02
Non-current investments	11,241.48
Long-term loans and advances	2,299.16
Inventories	74,876.28
Trade receivables	1,750.90
Cash and bank balances	3,873.11
Short-term loans and advances	197,408.83
Other current assets	3,553.22
<b>Total assets (A)</b>	<b>346,359.60</b>
Short-term borrowings	6,196.61
Trade payables	4,524.98
Other liabilities	81,360.54
Short-term provisions	88.50
<b>Total liabilities (B)</b>	<b>92,170.63</b>
<b>Net assets (A-B)</b>	<b>254,188.97</b>

(c) The excess of assets over liabilities as on September 30, 2015 has been recognised as capital reserve of Rs. 254,188.97 Lacs

(d) The accounting treatment as prescribed in Scheme is not in line with Appendix A to Indian Accounting Standards (Ind As) 10 according to which the Company should have recognised the assets and liabilities of demerged undertaking at the respective fair values on the day it approved by relevant authority i.e. NCLT. But pursuant to the clarifications released by Ind AS Transition Facilitation Group (ITFG) the accounting treatment required under an order of court or tribunal (or other similar authority) overrides the accounting treatment that would otherwise be required to followed in respect of the transaction and it mandatory for the company concerned to follow the treatment as per the order of the court/ tribunal. Considering the facts as stated above, the Company has accounted this transaction in accordance with scheme approved by NCLT.

49 These financial statements were authorized for issue by Board of Directors on June 29, 2019.

50 The Company has reclassified/regrouped previous year figures where necessary to conform to the current year's classification.

As per our report of even date

For Raj Jha & Associates

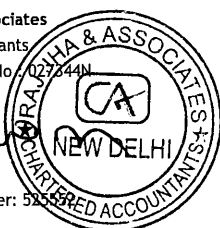
Chartered Accountants

Firm Registration No. 027844N

Raj Kumar Jha

Proprietor

Membership Number: 52558



For and on behalf of Board of Directors of  
MGF Developments Limited

*Rakshit Jain*

Rakshit Jain  
Director & CEO

DIN : 00607288

*Nupur Jain*

Nupur Jain

Company Secretary

M.No. 36044

Arun Mitter

Director

DIN : 00022941

*Vijay Kumar Sharma*

Vijay Kumar Sharma

CFO

Place: New Delhi

Date : June 29, 2019

Place : New Delhi

Date : June 29, 2019

