



CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Shravan Gupta	Director
Shri Arun Mitter	Director
Shri Rakshit Jain	Director
Mrs. Shilpa Gupta	Whole-Time Director

ASSISTANT COMPANY SECRETARY

Ms. Nupur Jain

AUDITORS

M. L. MUTNEJA & CO.
Chartered Accountant
Competent House, 217, F-14
Middle Circle, 2nd Floor
Connaught Place, New Delhi-110001

REGISTERED OFFICE

4/17-B, MGF House,
Asaf Ali Road,
New Delhi-110002
E-mail: tax@mgfindia.com
CIN: U74899DL1996PLC081965
Telephone No.: 42322200; Fax: 23280388

BANKING & FINANCIAL RELATIONSHIP

BANK OF INDIA
HDFC BANK LTD
SYNDICATE BANK
STATE BANK OF INDIA
UNION BANK OF INDIA



NOTICE

Notice is hereby given that the 18th Annual General Meeting of the members of MGF Developments Ltd. (Company) will be held on Tuesday, the 30th Day of September, 2014 at 10.00 A.M. at Registered office of the Company i.e. 4/17-B, MGF House, Asaf Ali Road, New Delhi-110002 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited balance sheet as on 31st March, 2014 and the statement of profit and loss account for the year ended on that date and the report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Shravan Gupta (DIN: 00002707), who retires by rotation, and being eligible to offer himself for re-appointment.
3. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of third Annual General Meeting and to fix their remuneration.

M/s. M.L. Mutneja & Co., Chartered Accountants (Registration No. 001446N) as the Statutory Auditors of the company at the annual remuneration as may be agreed by the Board of Directors and the auditors mutually plus taxes and out of pocket expenses including travelling & conveyance etc, till the conclusion of Annual General Meeting to be held in the Financial Year 2017, (Subject to Ratification by members at every Annual General Meeting) U/S 139 of Companies Act, 2013.

4. To take note and accept the resignation of Mr. Arun Mitter as the Managing Director of the Company and he shall continue as Director only, with effect from September 30, 2014.

By the order of the Board of Directors

Place: New Delhi
Date: 01.09.2014

ASSISTANT COMPANY SECRETARY
NUPUR JAIN
ACS NO.: 36044



Notes:-

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY, NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM IS ENCLOSED. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Copy of the documents referred to in the notice are available for inspection at the registered office of the company at 4/17-B, MGF House, Asaf Ali Road, New Delhi-110002 between 10.00 A. M to 2.00 P. M on any working day from the date hereof, upto the date of Annual General Meeting.
3. Members seeking further clarification, in any, on the accounts or any other relevant matters are requested to write to the Company at least one week before the date of AGM an early date, so as to enable the management to keep the information ready.
4. Members/ proxies should bring the attendance slip duly filled in for attending the meeting.
5. Non -Resident Indian Members are requested to inform the Company's registered office, immediately of the change in the residential status on return of India for permanent settlement.
6. The Balance Sheet, Profit and Loss A/c, Notice, Directors' Report, Auditor's Report and Notes to the Accounts of M/s Kayo Developers Private Limited and M/s Crimson Holdings Private Limited for the Financial Year 2013-2014 is attached herewith as per the provisions of Section 212 of Companies Act, 1956.

By the order of the Board of Directors

Place: New Delhi
Date: 01.09.2014

ASSISTANT COMPANY SECRETARY
NUPUR JAIN
ACS NO.: 36044



DIRECTORS' REPORT

The Board of Directors of your company is please to present the 18th Annual Report together with Audited Accounts of the Company for the financial year ended on 31st March, 2014.

FINANCIAL RESULTS:-

The highlights of performance of your company for the year ended as on 31st March 2014 are as follows:

Particulars	Rupees in Crores	
	For the year 31 st March, 2014	For the year 31 st March, 2013
Revenue from operations	1,170,629,002	902,997,397
Other Income	2,681,867	21,180,424
Total Revenue	1,173,310,868	924,177,821/-
Total operating expenditure excluding, Interest, Tax & Depreciation,	1,123,281,357	799,499,358/-
Profit before exceptional and extraordinary items and tax	50,029,511	124,678,463
Exceptional Items	86,291,871	14,296,002
Profit before extraordinary items and tax	136,321,382	138,974,465
Profit before Tax	136,321,382	138,974,465
Provision for Taxation and Deferred Tax	49,786,409	419,075,75/-
Net Profit after tax	86,534,973	97,066,890
Earning per equity share:		
Basic	2.90	3.25
Diluted	2.90	3.25

PERFORMANCE REVIEW:

Your company has recorded Revenue from Operation of Rs 117.06 Crores (Previous Year 90.29 Crores). The Revenue from Operation includes sales from operation, Rental Income, & other operating revenue i.e. electricity & Water receipts, maintenance income, Transfer charges etc. There is an increase in revenue from sales of 40.06% in comparison of previous year, but there is increase in revenue from rental of 2.80% in comparison of previous year. Profit after tax worked out to Rs. 8.65 Crores in comparison of Previous Year Rs. 9.71 Crores i.e. there is decrease in profit after tax of 10.92%. Basic Earning per share worked out to Rs. 2.90 (Previous year 3.25).



FUTURE OUTLOOK:-

Your company expects the current economic and business environment to stay challenging over the next few quarter. The company shall continue to focus on plotted development, luxury/premium housing, to improve the cash cycle, timely execution and delivery of its projects, divestment of non-core assets and cash conservation.

BOARD OF DIRECTORS:

Mr. Shravan Gupta who retires by rotation being eligible offers himself for re-appointment. This may be considered and approved.

Mrs. Shilpa Gupta was appointed as Whole-Time Director of the Company, w.e.f. 1st April, 2014 for three years in Extra-Ordinary General Meeting held on 31.03.2014.

Mr. Arun Mitter tendered his resignation from the post of Managing Director of the Company, w.e.f. September 30, 2014 and shall continue as the Director only. The Board of Directors recommends that this may be accepted and approved.

HOLDING COMPANY:

The Company is a 100% Holding Company of M/s Kayo Developers Private Limited and M/s Crimson Holdings Private Limited. The Financial Statements – Balance Sheet, Profit & Loss Account, Notice, Directors' Report and Auditor's Report, are also attached herewith.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to section 217(2AA) of the Companies Act, 1956, your Directors confirm:

- i) That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- ii) That the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year ended 31st March, 2014 and of the Profits of the Company for that year.
- iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies



Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- iv) That the Directors have been prepared the annual accounts on a going concern basis.

FIXED DEPOSIT:

During the period under review, the company has not invited any fixed deposits from the public in terms of provisions of Section 58-A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

AUDITORS:

M/s M.L. Mutneja & Co., Chartered Accountants, Statutory Auditors of the Company retiring at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

M/s. M.L. Mutneja & Co., Chartered Accountants (Registration No. 001446N) is re-appointed as the Statutory Auditor of the company at the annual remuneration as may be agreed by the Board of Directors and the auditors mutually plus taxes and out of pocket expenses including travelling & conveyance etc, till the conclusion of Annual General Meeting to be held in the Financial Year 2017, (Subject to Ratification by members at every Annual General Meeting) U/S 139 of Companies Act, 2013.

AUDITORS REPORT:

The Notes to the Accounts as referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

REVENUE RECOGNITION:

The Notes to the Accounts as referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

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 on Equity shares of the company for the year ended March 31, 2014.



CORPORATE SUSTAINABILITY INITIATIVES:

Your company is committed to the philosophy of improving the quality of life in the communities where we are operating. MGF Developments Limited has a well defined corporate social responsibility mechanism in place that works towards bringing about the social upliftment within its areas of functioning.

MANAGEMENT OF BUSINESS ETHICS (MBE)

Consistent with our policy, MGF is systematically implementing a well defined Code of Conduct that includes working with responsibility and accountability with a work ethics that is humane and rewarding to the performers. For us our workforce is the biggest asset and hence we ensure their enrichment through their consistent enhancement of potentials.

We have put in place an organizational structure and a process to implement and improve ethical standards and practices. MGF conducts regular workshops and products sensitization programs across the country thus bringing about a close understanding between our officials and the end consumers we are working for. These endeavors sustain our growth momentum as well as strengthen ethical values and practices.

HUMAN RESOURCES/INDUSTRIAL RELATIONS

The industrial relation climate in MGF Developments Ltd. remained harmonious and peaceful during the year. The company has been taking initiatives for harnessing the inherent strength of its employees, and continuous improvement in work culture and operating and maintenance practices. The Company is also focusing on building leadership capabilities and strategic orientation in its employee through training programs and workshop.

COMPLIANCE REPORT:

As required by Companies Act, 1956 and relevant Cost Accounting Records Rules, 2011 read with section 209 (1) (d) and 600 (3) (b) of the Companies Act, 1956 a Compliance Report is taken from M/s Punit Kumar Trivedi & Co., Cost Accountants (Membership No.:- 33313) in the prescribed Form No. B with regards to compliance of relevant provisions of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES:

The provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are not applicable, as there is no employee drawing remuneration beyond the stipulated amount provided in the said rules.



CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION,

The above does not apply as the company did not carry such business during the year.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

There is no Income/ Earning in Foreign Currency.

The company has incurred following expenditure in foreign exchange during the year under review:

Particulars	As on 31 st March, 2014
Purchase of Material	0
Expenses on Foreign Travel	28,56,040/-

ACKNOWLEDGEMENT:

Your Directors would like to express their thanks for the co-operation, assistance, support and guidance extended by the Bankers, Central and State Government, Local Authorities and other regulatory authorities. The Board places on record its appreciation for the valuable patronage, cooperation and goodwill received by it from clients, business associates and our most valued shareholders. Yours Directors also express their appreciation for the dedicated services rendered by the employees at all levels to the successful operations of the company. The industrial relations of the company continued to remain cordial.

By Order of the Board of Directors

Place: New Delhi
Date: 01.09.2014

**ARUN MITTER
CHAIRMAN
DIN: 00022941**

The Companies Act (I of 1956)

SCHEDULE V - PART II

(See Section 159)

ANNUAL RETURN

OF

(MGF DEVELOPMENTS LIMITED)

(Registration No.081965)

CIN NO. U74899DL1996PLC081965

III. Capital Structure of the Company (Amount in Rs. Thousands)
Authorised Share Capital Breakup

Type of Shares	No. of Shares	Nominal Value (in Rs.)
i. Equity	3 0 0 0 0 0 0 0	1 0
ii. Preference	N I L	N I L
Total Authorised Capital (Rs in Thousand)	3 0 0 0 0 0 0	

Issued Share Capital Breakup

Type of Shares	No. of Shares	Nominal Value (in Rs.)
i. Equity	2 9 8 8 2 5 3 5	1 0
ii. Preference	N I L	N I L
Total Issued Capital (Rs in Thousand)	2 9 8 8 2 5 . 3 5 0	

Subscribed Share Capital Breakup

Type of Shares	No. of Shares	Nominal Value (in Rs.)
i. Equity	2 9 8 8 2 5 3 5	1 0
ii. Preference	N I L	N I L
Total Subscribed Capital (Rs in Thousand)	2 9 8 8 2 5 . 3 5 0	

Paid-Up Share Capital Breakup

Type of Shares	No. of Shares	Nominal Value (in Rs.)
i. Equity	2 9 8 8 2 5 3 5	1 0
ii. Preference	N I L	N I L
Total Paid up Capital (Rs in Thousand)	2 9 8 8 2 5 . 3 5 0	

Debentures Breakup

Type of Debenture	No. of Debentures	Nominal Value (in Rs.)
i. Non Convertible	N I L	N I L
ii. Partly Convertible	N I L	N I L
iii. Fully Convertible	N I L	N I L
Total Amount	N I L	

IV. Directors / Managers / Secretary Information (Past and Present)

[Refer clause 6 of Part I of Schedule V]

Name	G U P T A										S H R A V A N									
	Surname					Middle Name					First Name									
Nationality	<input type="checkbox"/> I	I - Indian					Date of Birth					<input type="checkbox"/> 2	<input type="checkbox"/> 5	<input type="checkbox"/> 0	<input type="checkbox"/> 8	<input type="checkbox"/> 7	<input type="checkbox"/> 3			
		F - Foreign					Date					Month		Year						
Designation	<input type="checkbox"/> D	C - Chairman cum Managing Director W- Whole Time Director, S - Secretary, R - Manager D - Director, M - Managing Director																		
Date of Appointment	<input type="checkbox"/> 1	<input type="checkbox"/> 6	<input type="checkbox"/> 0	<input type="checkbox"/> 9	<input type="checkbox"/> 9	<input type="checkbox"/> 6	Date of Ceasing		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
	Date		Month		Year				Date		Month		Year							
Election Commission Identity Card No. (if issued)	<input type="checkbox"/>																			

Name	G U P T A										S H I L P A									
	Surname					Middle Name					First Name									
Nationality	<input type="checkbox"/> I	I - Indian					Date of Birth					<input type="checkbox"/> 2	<input type="checkbox"/> 7	<input type="checkbox"/> 0	<input type="checkbox"/> 1	<input type="checkbox"/> 7	<input type="checkbox"/> 6			
		F - Foreign					Date					Month		Year						
Designation	<input type="checkbox"/> W	C - Chairman cum Managing Director W- Whole Time Director, S - Secretary, R - Manager D - Director, M - Managing Director																		
Date of Appointment	<input type="checkbox"/> 1	<input type="checkbox"/> 8	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 2	Date of Ceasing		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
	Date		Month		Year				Date		Month		Year							
Election Commission Identity Card No. (if issued)	<input type="checkbox"/>																			

IV. Directors / Managers / Secretary Information (Contd..)

Residential Address

4	4	A		A	M	R	I	T	A		S	H	E	R	G	I	L				
M	A	R	G																		

Town / City

N	E	W		D	E	L	H	I													
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District

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State

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Pin code

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Residential Address

4	4	A		A	M	R	I	T	A		S	H	E	R	G	I	L				
M	A	R	G																		

Town / City

N	E	W		D	E	L	H	I													
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District

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State

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Pin code

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IV. Directors / Managers / Secretary Information (Past and Present)

[Refer clause 6 of Part I of Schedule V]

Name	M I T T E R												A R U N		
	Surname						Middle Name			First Name					
Nationality	<input type="checkbox"/> I	I - Indian		Date of Birth			<input type="checkbox"/> 2	<input type="checkbox"/> 7	<input type="checkbox"/> 1	<input type="checkbox"/> 1	<input type="checkbox"/> 6	<input type="checkbox"/> 2			
		F - Foreign		Date			Month		Year						
Designation	<input type="checkbox"/> D	C - Chairman cum Managing Director W- Whole Time Director, S - Secretary, R - Manager D - Director, M - Managing Director													
Date of Appointment	<input type="checkbox"/> 1	<input type="checkbox"/> 6	<input type="checkbox"/> 0	<input type="checkbox"/> 8	<input type="checkbox"/> 0	<input type="checkbox"/> 3	Date of	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
	Date		Month		Year		Ceasing	Date		Month		Year			
Election Commission Identity Card No. (if issued)	<input type="checkbox"/>														

Name	J A I N												R A K S H I T		
	Surname						Middle Name			First Name					
Nationality	<input type="checkbox"/> I	I - Indian		Date of Birth			<input type="checkbox"/> 0	<input type="checkbox"/> 1	<input type="checkbox"/> 0	<input type="checkbox"/> 3	<input type="checkbox"/> 7	<input type="checkbox"/> 2			
		F - Foreign		Date			Month		Year						
Designation	<input type="checkbox"/> D	C - Chairman cum Managing Director W- Whole Time Director, S - Secretary, R - Manager D - Director, M - Managing Director													
Date of Appointment	<input type="checkbox"/> 0	<input type="checkbox"/> 2	<input type="checkbox"/> 0	<input type="checkbox"/> 3	<input type="checkbox"/> 0	<input type="checkbox"/> 9	Date of	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
	Date		Month		Year		Ceasing	Date		Month		Year			
Election Commission Identity Card No. (if issued)	<input type="checkbox"/>														

IV. Directors / Managers / Secretary Information (Contd..)

Residential Address

C	2	9		M	A	Y	F	A	I	R		G	A	R	D	E	N				

Town / City

N	E	W		D	E	L	H	I													
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District

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State

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Pin code

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Residential Address

C	1	4		F	I	R	S	T		F	L	O	O	R							
G	R	E	E	N		P	A	R	K		E	X	T	N							

Town / City

N	E	W		D	E	L	H	I													
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District

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State

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Pin code

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Directors / Managers / Secretary Information (Contd..)

Residential Address

6	0		B	R	I	J		V	I	H	A	R		P	H	A	S	E	-	I	I
K	A	M	L	A		N	A	G	A	R											

Town / City

A	G	R	A																		
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District

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State

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Pin code

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Residential Address

F	-	2	5		A	R	Y	A		N	A	G	A	R		A	P	A	R	T	M
E	N	T		F	L	O	T		N	O	.		9	1		E	X	T	E	N	S
I	O	N		P	A	T	P	A	R	G	A	N	J								

Town / City

D	E	L	H	I																	
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District

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State

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Pin code

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V. Details of Shares Held at Date of AGM

Ledger Folio of shares/Debenture Holder	0 0 1										
Share/Debenture Holder's Name	G U P T A						R A J I V				
	Surname			Middle Name			First Name				
Father's/Husband's Name	V E D P R A K A S H G U P T A										
Type of Share/Debenture	1 1 - Equity 2 - Preference Shares 3 - Debentures 4 - Stock										
No. of Shares/Debentures Held/Stock, if any	5 1 7 4					Amount per Share (in Rs.)					1 0
Ledger Folio of shares/Debenture Holder	0 0 2										
Share/Debenture Holder's Name	G U P T A						S H R A V A N				
	Surname			Middle Name			First Name				
Father's/Husband's Name	R A J I V G U P T A										
Type of Share/Debenture	1 1 - Equity 2 - Preference Shares 3 - Debentures 4 - Stock										
No. of Shares/Debentures Held/Stock, if any	4 0 5 3 6 4 9					Amount per Share (in Rs.)					1 0
Ledger Folio of shares/Debenture Holder	0 0 8										
Share/Debenture Holder's Name	G U P T A						S H I L P A				
	Surname			Middle Name			First Name				
Father's/Husband's Name	S H R A V A N G U P T A										
Type of Share/Debenture	1 1 - Equity 2 - Preference Shares 3 - Debentures 4 - Stock										
No. of Shares/Debentures Held/Stock, if any	3 9 8					Amount per Share (in Rs.)					1 0
Ledger Folio of shares/Debenture Holder	1 3										
Share/Debenture Holder's Name	G U P T A						A R T I				
	Surname			Middle Name			First Name				
Father's/Husband's Name	R A J I V G U P T A										
Type of Share/Debenture	1 1 - Equity 2 - Preference Shares 3 - Debentures 4 - Stock										
No. of Shares/Debentures Held/Stock, if any	4 9 7 5					Amount per Share (in Rs.)					1 0

V. Details of Shares Held at Date of AGM (Contd.)

Address

5 0 G O L F L I N K S

Town / City

D E L H I

District

State

D E L H I

Pin code

1 1 0 0 0 3

Address

4 4 A A M R I T A S H E R G
I L M A R G

Town / City

D E L H I

District

State

D E L H I

Pin code

1 1 0 0 0 3

Address

4 4 A A M R I T A S H E R G
I L M A R G

Town / City

D E L H I

District

State

D E L H I

Pin code

1 1 0 0 0 3

Address

5 0 G O L F L I N K S

Town / City

D E L H I

District

State

D E L H I

Pin code

1 1 0 0 0 3

V. Details of Shares Held at Date of AGM

Ledger Folio of shares/Debenture Holder

Share/Debenture Holder's Name
Middle Name First Name

Father's/Husband's Name

Type of Share/Debenture 1 - Equity 2 - Preference Shares
 3 - Debentures 4 - Stock

No. of Shares/Debentures Held/Stock, if any Amount per Share (in Rs.)

Ledger Folio of shares/Debenture Holder

Share/Debenture Holder's Name
Surname Middle Name First Name

Father's/Husband's Name

Type of Share/Debenture 1 - Equity 2 - Preference Shares
 3 - Debentures 4 - Stock

No. of Shares/Debentures Held/Stock, if any Amount per Share (in Rs.)

Ledger Folio of shares/Debenture Holder

Share/Debenture Holder's Name
Surname Middle Name First Name

Father's/Husband's Name

Type of Share/Debenture 1 - Equity 2 - Preference Shares
 3 - Debentures 4 - Stock

No. of Shares/Debentures Held/Stock, if any Amount per Share (in Rs.)

V. Details of Shares Held at Date of AGM (Contd.)

Address	1 7 B A S A F A L I R O A D
Town / City	N E W D E L H I
District	
State	D E L H I
Pin code	1 1 0 0 0 2

Address	C 2 9 M A Y F A I R G A R D E N
Town / City	N E W D E L H I
District	
State	D E L H I
Pin code	1 1 0 0 1 6

Address	4 1 7 B A S A F A L I R O A D N E W D E L H I
Town / City	N E W D E L H I
District	
State	D E L H I
Pin code	1 1 0 0 0 2

Address	
Town / City	
District	
State	
Pin code	

V. Details of Shares Held at Date of AGM

Ledger Folio of shares/Debenture Holder

Share/Debenture Holder's Name

Father's/Husband's Name

Type of Share/Debenture 1 - Equity 2 - Preference Shares
3 - Debentures 4 - Stock

No. of Shares/Debentures Held/Stock, if any Amount per Share (in Rs.)

Ledger Folio of shares/Debenture Holder

Share/Debenture Holder's Name
Surname Middle Name First Name

Father's/Husband's Name

Type of Share/Debenture 1 - Equity 2 - Preference Shares
3 - Debentures 4 - Stock

No. of Shares/Debentures Held/Stock, if any Amount per Share (in Rs.)

Ledger Folio of shares/Debenture Holder

Share/Debenture Holder's Name
Surname Middle Name First Name

Father's/Husband's Name

Type of Share/Debenture 1 - Equity 2 - Preference Shares
3 - Debentures 4 - Stock

No. of Shares/Debentures Held/Stock, if any Amount per Share (in Rs.)

Ledger Folio of shares/Debenture Holder

Share/Debenture Holder's Name
Surname Middle Name First Name

Father's/Husband's Name

Type of Share/Debenture 1 - Equity 2 - Preference Shares
3 - Debentures 4 - Stock

No. of Shares/Debentures Held/Stock, if any Amount per Share (in Rs.)

VI. Details of Shares/Debentures Transfers since Date of last AGM (or in the case of the first return at any time since incorporation of the company)

Date of Previous AGM

2 6

Date

0 9

Month

1 3

Year

Date of Registration of Transfer of Shares

1 9

Date

0 8

Month

1 4

Year

Types of transfer

1

1 - Equity 2 - Preference Shares
3 - Debentures 4 - StockNo. of Shares/Debentures
Transferred

4 0 5 3 5 4 9

Amount per Share

1 0

(in Rs.)

Ledger Folio of Transferor

Transferor's Name

G U P T A S H I L P A

Surname

Middle Name

First Name

Ledger Folio of Transferee

Transferee's Name

G U P T A S H R A V A N

Surname

Middle Name

First Name

Date of Registration of Transfer of Shares

Date

Month

Year

Types of transfer

1 - Equity 2 - Preference Shares
3 - Debentures 4 - StockNo. of Shares/Debentures
Transferred

Amount per Share

(in Rs.)

Ledger Folio of Transferor

Transferor's Name

Surname

Middle Name

First Name

Ledger Folio of Transferee

Transferee's Name

First Name

VII. Indebtedness of the Company (Amount in Rs. Thousands) (Secured Loans including interest outstanding /accrued but not due for payment).

Amount

5 1 4 0 0 0

VIII. Equity Share Capital Breakup (Percentage of Total Equity)

(i) Govt. [Central & State(s)]

(iii) Public Financial Institutions

(v) Mutual Funds

(vii) Foreign Holdings (FIIs/FCs/FFIs
NRIs/OCBs) .

(ix) Directors/Relatives of Directors

 .

(ii) Govt. Companies

(iv) Nationalised / Other banks

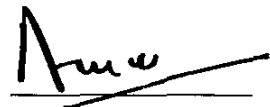
(vi) Venture Capital

(viii) Bodies Corporate
(Not mentioned above) . (x) Other top 50 Share Holders (other than
those listed above)**We certify that :**

- (a) the return states the facts as they stood on the date of the annual general meeting aforesaid, correctly and completely ;
- (b) since the date of the last annual return the transfer of all shares, debentures, the issue of all further certificates of shares and debentures, have been appropriately recorded in the books maintained for the purpose ;
- (c) the whole of the amount of dividend remaining unpaid or unclaimed for a period of three years from the date of transfer to the special account has been transferred to the General Revenue Account of the Central Government as required under sub-section (5) of Section 205 A ;
- (d) the company has not, since the date of the annual general meeting with reference to which the last return was submitted, or in the case of a first return, since the date of the incorporation of the company issued any invitation to the public to subscribe for any shares or debentures of the company ;
- (e) where the annual return discloses the fact that the number of members of the company exceeds fifty, the excess consists wholly of persons who under sub-clause (1) of section 3 are not to be included in the reckoning the number of fifty ;
- (f) since the date of annual general meeting with reference to which the first return was submitted or in the case of a first return since the date of the incorporation of the private company, no public company or deemed public company has or have held twenty five percent, or more of its paid-up share Capital ;
- (g) the company did not have an average turnover of Rs. Ten crore or more during the relevant period ;
- (h) since the date of the annual general meeting with reference to which the last annual return was submitted or since the date of incorporation of the company, if it is first return, the company did not hold twenty five percent or more of the paid-up share capital of one or more public companies; and
- (i) the private company did not accept or renew deposits from public.

Signed

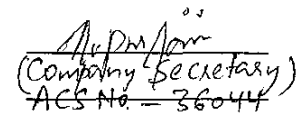
Director :



Director :

Secretary in whole time practice :

CP No. :


(Company Secretary)
ACS No. = 36044

Note : Certificates to be given by a Director and Manager / Secretary or by two Directors where there is no manager or secretary . In the case of a Company whose shares are listed on a recognised stock exchange, the certificate shall also be signed by a secretary in whole time practice.

Independent Auditor's Report

To the Members of
MGF DEVELOPMENTS LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of the MGF DEVELOPMENTS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principle generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with general Circular 8/2014 dated 4 April 2014 and General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements that give a true & fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements together with **and subject to all the notes** give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended 31st March 2014.
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") and amended thereafter, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet and the Statement of Profit and Loss Account comply with the Accounting Standards notified under the Act, 1956, read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- (e) As per information and explanation given to us the Central Government has, till date, not prescribed any cess payable under section 441A of the Companies Act, 1956;
- (f) On the basis of the written representation received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.



for M. L. MUTNEJA & CO.
CHARTERED ACCOUNTANTS
FRN : 001446N

Sangeeta Jagyasi
(SANGEETA JAGYASI)
PARTNER
M.NO. 501559

Place : New Delhi
Date : 1st September, 2014

COMPANIES (AUDITOR'S REPORT) ORDER, 2003

COMPANY: MGF DEVELOPMENTS LIMITED

(Annexure to Auditor's Report dated 01-09-2014 for the Financial Year 2013-14 under Companies Act, 1956)

PARTICULARS	REMARKS
	(As certified by the management of the company)
1 FIXED ASSETS	
(1) (a) Whether the company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets;	Yes
(b) whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account.	Yes No material discrepancies were found
(c) if a substantial part of fixed assets have been disposed off during the year, whether it has affected the going concern;	No such disposal
2 INVENTORIES	
(II) (a) whether physical verification of inventory has been conducted at reasonable intervals by the management;	Yes
(b) are the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business. If not, the inadequacies in such procedures should be reported;	Yes
(c) whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account;	Yes No material discrepancies have been noticed
3 LOANS GRANTED OR TAKEN	
(iii) (a) has the company granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. If so, give the number of parties and amount involved in the transactions; and	Yes No. of Parties: 12 (P.Y. 12) Amount as on 31.03.2014 : Rs. 28.83 Crores (P.Y. Rs. 23.91 Crores) Maximum Balance During the year is Rs.27.21 Crores (As explained in Notes on Accounts)
(b) whether the rate of interest and other terms and conditions of loans given by the company secured or unsecured, are prima facie prejudicial to the interest of the company; and	These are Interest free deposit with Related Parties unsecured and are Prima facie not prejudicial to the interest of the company with unspecified terms) As explained in Notes on Accounts



COMPANIES (AUDITOR'S REPORT) ORDER, 2003

COMPANY: MGF DEVELOPMENTS LIMITED

(Annexure to Auditor's Report dated 01-09-2014 for the Financial Year 2013-14 under Companies Act,1956)

PARTICULARS	REMARKS
	(As certified by the management of the company)
(c) whether receipt of the principal amount and interest are also regular; and	There are no specified terms
(d) if overdue amount is more than Rs. 1,00,000 whether reasonable steps have been taken by the Company for recovery of the Principal and interest; and	Not Applicable
(e) has the company taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. If so, give the number of parties and amount involved in the transactions; and	<p>Yes</p> <p>a) Interest Bearing - : No. of Parties :1 (P.Y. 1) Amount As On 31.03.2014 : Rs. 7.63 Crores (P.Y. Rs 7.03 Crores) Maximum Balance During the year is Rs.7.63 Crores</p> <p>b) Interest Free - No. of Parties : 9 (P.Y. 12). Amount As On 31.03.2014 : Rs. 11.60 Crores (P.Y. Rs 11.40 Crores) Maximum Balance During the year is Rs. 11.87 Crores</p>
(f) whether the rate of interest and other terms and conditions of loans taken by the company secured or unsecured, are prima facie prejudicial to the interest of the company; and	The above all are unsecured and are Prima facie not prejudicial to the interest of the company with unspecified terms. As explained in Notes on Accounts
(g) whether payment of the principal amount and interest are also regular;	There are no specified terms
4 <u>INTERNAL CONTROL PROCEDURE FOR THE PURCHASE OF INVENTORY AND FIXED ASSETS AND FOR THE SALE OF GOODS</u>	
(iv) is there an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and Fixed assets and for the sale of goods and services. Whether there is a continuing failure to correct major weaknesses in internal control system;	<p>Yes</p> <p>No failure reported</p>
5 <u>TRANSACTIONS TO BE ENTERED INTO A REGISTER IN PURSUANCE OF SECTION 301</u>	
(v) (a) whether the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section ; and	Yes
(b) whether transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market price at the relevant time ; "	Yes as per the directors



COMPANIES (AUDITOR'S REPORT) ORDER, 2003

COMPANY: MGF DEVELOPMENTS LIMITED

(Annexure to Auditor's Report dated 01-09-2014 for the Financial Year 2013-14 under Companies Act, 1956)

PARTICULARS	REMARKS
(As certified by the management of the company)	
6 DEPOSIT FROM THE PUBLIC	
(vi) in case the company has accepted deposits from the public, whether the directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Act and the rules framed there under, where applicable have been complied with. If not, the nature of contravention's should be stated. If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal whether the same has been complied with or not?	No However, there are intercorporate deposits from related and other companies and directors. No Directions given u/s 58A & 58AA by any authority.
7 INTERNAL AUDIT SYSTEM	
(vii) in the case of listed companies and/or other companies having a paid-up capital and reserves exceeding Rs. 50 lakhs as at the commencement of the financial year concerned, or having an average annual turnover exceeding five crore rupees for a period of three consecutive financial years immediately preceding the financial year concerned, whether the company has an internal audit system commensurate with its size and nature of its business;	In our opinion and according to the information and explanation given to us, the company does not have any formal internal audit system, however there are adequate internal control procedures, which in our opinion, are commensurate with the size of the company and nature of its business.
8 COST RECORDS	
(viii) where maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act, whether such accounts and records have been made and maintained.	This is under process
9 DEPOSITING UNDISPUTED STATUTORY DUES INCLUDING PROVIDENT FUND INVESTOR EDUCATION AND PROTECTION FUND EMPLOYEES STATE INSURANCE ETC	
(ix) (a) is the company regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, employees' State Insurance, Income - Tax, Sales-Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable shall be indicated by the auditor.	Not Regular a) Income Tax for the A.Y. 2013-14: Rs.88,35,684 + Interest b) Vat Payable: Rs 1,39,82,196/- + Interest c) Service Tax Payable: Rs 40,40,328/- + Interest d) Ground Rent Rs. 5,44,68,938/- + Interest



COMPANIES (AUDITOR'S REPORT) ORDER, 2003

COMPANY: MGF DEVELOPMENTS LIMITED

(Annexure to Auditor's Report dated 01-09-2014 for the Financial Year 2013-14 under Companies Act, 1956)

PARTICULARS	REMARKS
<p>10 <u>NON-PAYMENT OF DUES OF SALES TAX / INCOME-TAX / CUSTOM TAX / WEALTH TAX EXCISE DUTY / CESS ON ACCOUNT OF ANY DISPUTE</u> (b) in case dues of Income Tax /Sales-Tax/ Wealth Tax / Service Tax / Custom Duty / Excise Duty/ cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned.</p>	<p>a) Income Tax Rs.81.21 Lacs plus Interest with Income Tax Appellant Tribunal. b) Service Tax Rs.82.94 plus Interest with Commissioner of central excise (Appeal), New Delhi</p>
<p>11 <u>ACCUMULATED LOSS/ CASH LOSSES</u> (x) whether in case of a company which has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty percent of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year ;</p>	<p>There are no cash losses</p>
<p>12 <u>DEFAULTED IN REPAYMENT OF DUES TO A FINANCIAL INSTITUTION OR BANK OR DEBENTURE HOLDER?</u> (xi) (a) whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holder? If yes, the period and amount of default to be reported;</p>	<p>NO</p>
<p>13 <u>GRANTED LOANS AND ADVANCES</u> (xii) whether adequate document and records are maintained in cases where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. If not, the deficiencies to be pointed out.</p>	<p>The Company has not given any loans and advances covered under this clause, on the basis of any security.</p>
<p>14 <u>CHIT FUND / NIDHI / MUTUAL BENEFIT FUND / SOCIETIES</u> (xiii) whether the provisions of any special statute applicable to chit fund have been duly complied with? In respect of nidhi / mutual benefit fund/ societies:- (a) whether the net-owned funds to deposit liability ratio is more than 1:20, as on the date of balance sheet;</p>	<p>Not Applicable Not Applicable</p>



COMPANIES (AUDITOR'S REPORT) ORDER, 2003

COMPANY: MGF DEVELOPMENTS LIMITED

(Annexure to Auditor's Report dated 01-09-2014 for the Financial Year 2013-14 under Companies Act, 1956)

PARTICULARS	REMARKS
	(As certified by the management of the company)
(b) whether the company has complied with the prudential norms on income recognition and provisioning against substandard / doubtful / loss assets;	Not Applicable
(c) whether the company has adequate procedures for appraisal of credit proposals / requests, assessment of credit needs and repayment capacity of the borrowers;	Not Applicable
(d) whether the repayment schedule of various loans granted by the nidhi is based on the repayment capacity of the loan amount.	Not Applicable
15 <u>DEALING OR TRADING IN SHARES, SECURITIES, DEBENTURES AND OTHER INVESTMENTS</u>	
(xiv) if the company is dealing or trading in shares, securities, debentures and other investments, whether proper records have been maintained of the transactions and contracts and whether timely entries have been made therein; also whether the shares, securities, debentures and other investments have been held by the company, in its own name except to the extent of the exemption, if any, granted under section 49 of the Act.	Not Applicable
	Not Applicable
16 <u>GUARANTEE FOR LOANS TAKEN BY OTHERS FROM BANKS OR FINANCIAL INSTITUTIONS</u>	
(xv) whether the company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.	Not Applicable
17 <u>TERM LOAN</u>	
(xvi) whether term loans were applied for the purpose for which the loans were obtained.	Yes
18 <u>APPLICATION OF FUND RAISED ON SHORT-TERM BASIS</u>	
(xvii) whether the funds raised on short-term basis have been used for long-term investment if yes, the nature and amount is to be indicated.	Yes
	There are no stipulation for the retention period of loans, though shown as short term borrowings. As per directors, these are repayable on demand on very short notice of about a month.



COMPANIES (AUDITOR'S REPORT) ORDER, 2003

COMPANY: MGF DEVELOPMENTS LIMITED

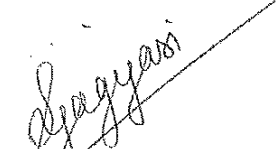
(Annexure to Auditor's Report dated 01-09-2014 for the Financial Year 2013-14 under Companies Act, 1956)

PARTICULARS	REMARKS
(As certified by the management of the company)	
19 <u>PREFERENTIAL ALLOTMENT OF SHARES</u> (xviii) whether the company has made any preferential allotment of shares to parties and companies covered in the Register maintain under section 301 of the Act and if so whether the price at which shares have been issued is prejudicial to the interest of the company.	No
20 <u>CREATION OF SECURITIES IN RESPECT OF DEBENTURES ISSUED</u> (xix) whether security or charge has been created in respect of debentures issued ?	Not Applicable
21 <u>END USE OF MONEY RAISED BY PUBLIC ISSUES</u> (xx) whether the management has disclosed on the end use of money raised by public issues and the same has been verified.	No money is raised by public issues
22 <u>NATURE AND AMOUNT INVOLVED IN FRAUD</u> (xxi) whether any fraud on or by the company has been noticed or reported during the year. If yes the nature and the amount involved is to be indicated.	None Reported

All the statutory records have been certified by the Company Secretary

FOR M.L. MUTNEJA & CO.
CHARTERED ACCOUNTANTS
FRN NO. 001446N

FOR MGF DEVELOPMENTS LIMITED.


SANGETA JAGYASI
PARTNER
M.No. 501559

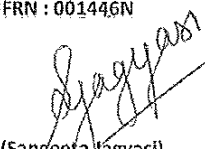

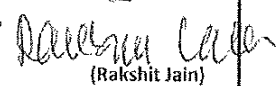
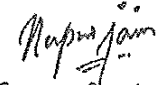



DIRECTOR


DIRECTOR

Place :- New Delhi
Date :- 01.09.2014

MGF DEVELOPMENTS LTD.
CIN : U74899DL1996PLC081965
BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
a) Share Capital	1	298,825,350	298,825,350
b) Reserve & Surplus	2	1,091,435,499	1,004,900,526
		1,390,260,849	1,303,725,876
(2) Non- Current Liabilities			
a) Long term borrowings	3	870,174,272	274,860,403
b) Deferred tax liability (net)	4	102,353,848	97,407,297
c) Other Long Term Liabilities	5	849,774,113	920,113,159
d) Long-term provisions	6	2,055,963	1,764,716
		1,824,358,196	1,294,145,575
(3) Current Liabilities			
a) Short term borrowings	7	218,256,209	435,282,361
b) Trade payables	8	185,886,156	123,431,539
c) Other current liabilities	9	1,716,988,014	2,495,692,441
d) Short-term provisions	10	255,871,282	210,819,048
		2,377,001,661	3,265,225,389
Total Equity & Liabilities		5,591,620,707	5,863,096,839
II. ASSETS			
(1) Non-current Assets			
a) Fixed Assets			
i) Tangible Assets	11	24,363,398	28,831,015
ii) Intangible Assets	12	1,869,164	2,420,869
b) Non-current Investment	13	438,598,668	438,598,668
c) Long term loans & advances	14	2,775,414,364	2,434,940,077
d) Other non-current assets	15	6,650,251	9,380,711
		3,246,895,846	2,914,171,341
(2) Current Assets			
a) Current investment	16	77,818,465	280,657,993
b) Inventories	17	1,148,427,116	1,602,453,244
c) Trade receivables	18	212,634,893	220,620,807
d) Cash and cash equivalents	19	79,197,554	32,918,710
e) Short-term loans and advances	20	319,801,173	320,353,357
f) Other current assets	21	506,845,660	491,921,388
		2,344,724,861	2,948,925,499
Total Assets		5,591,620,707	5,863,096,839
Summary of significant accounting policies		32	
The accompanying notes are an integral part of the financial statements.			
For reference and as per our report of even date			
for M. L. Mutneja & Co Chartered Accountants FRN : 001446N		For and on behalf of the board of directors For MGF Developments Ltd.	
			
(Sangeeta Jagyasi) Partner		(Arun Mitter) Managing Director	
Membership No. : 501559		DIN : 00022941	
Place : New Delhi			
Dated : 1st September, 2014		(Rakshit Jain) Director	
		DIN : 00607288	
			
		(Company Secretary)	



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Statement of Profit and Loss for the Year ended March 31, 2014

Sr. No	Particulars	Note No	Figures as at the end of Current reporting period	Figures as at the end of previous reporting period
I	Revenue from operations	22	1,170,629,002	902,997,397
II	Other Income	23	2,681,867	21,180,424
III	III. Total Revenue (I +II)		1,173,310,868	924,177,821
IV	<u>Expenses:</u>			
	Cost of Materials Consumed	24	945,683,901	610,242,753
	Purchase of Stock-in-Trade			
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	0	0
	Employee benefit expense	26	20,390,852	21,930,346
	Financial costs	27	56,410,931	70,099,168
	Depreciation and amortization expense	28	24,076,739	25,669,303
	Other expenses	29	76,718,934	71,557,788
	Total Expenses (IV)		1,123,281,357	799,499,358
V	Profit before exceptional and extraordinary items and tax	(III - IV)	50,029,511	124,678,463
VI	Exceptional Items	30	86,291,871	14,296,002
VII	Profit before extraordinary items and tax	(V - VI)	136,321,382	138,974,465
VIII	Extraordinary Items		0	0
IX	Profit before tax	(VII - VIII)	136,321,382	138,974,465
X	<u>Tax expense:</u>			
	(1) Current tax		42,719,294	34,262,759
	(2) (Excess)/Short provision of tax relating to earlier years		2,120,564	1,878,115
	(3) Deferred tax liability/(Assets)		4,946,551	5,766,701
XI	Profit(Loss) from the period from continuing operations	(IX-X)	86,534,973	97,066,890
XII	Profit/(Loss) from discontinuing operations		0	0
XIII	Tax expense of discounting operations		0	0
XIV	Profit/(Loss) from Discontinuing operations	(XII - XIII)	0	0
XV	Profit/(Loss) for the period	(XI + XIV)	86,534,973	97,066,890
XVI	Earning per equity share:	31		
	(1) Basic		2.90	3.25
	(2) Diluted		2.90	3.25

Summary of significant accounting policies 32

The accompanying notes are an integral part of the financial statements
For reference and as per our report of even date

for M. L. Mutneja & Co
Chartered Accountants
FRN : 001446N



(Sangeeta Jagyasi)
Partner
Membership No. : 501559

Place : New Delhi
Dated : 1st September, 2014

For and on behalf of the board of directors
For MGF Developments Ltd.

(Arun Mitter) Managing Director
DIN : 00022941

(Rakshit Jain) Director
DIN : 00607288

(Company Secretary)

1. Share Capital

Particulars	As at 31-Mar-14	As at March 31, 2013
Authorized shares 300,00,000 (Previous Year 300,00,000) Equity Shares	300,000,000.00	300,000,000.00
Issued, subscribed & fully paid up shares 298,82,535 (Previous Year 298,82,535) Equity Shares of Rs 10 each fully paid-up	298,825,350.00	298,825,350.00
Total	298,825,350.00	298,825,350.00

a) Terms / rights attached to equity shares

i) The Company has only one class of equity share having a par value of Rs. 10 per share. Each equity shareholder is entitled for one vote per share. The Company has not declared dividend during the Period ended on 31st March, 2014

ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. This distribution will be in proportion to the number of equity shares held by the shareholder.

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

b) Shares held by holding/ultimate holding company and/or their subsidiaries / their associates

Particulars	As at March 31, 2014	As at March 31, 2013
NIL		

c) Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars	As at March 31, 2014	As at March 31, 2013
NIL		



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the Period ended March 31, 2014**d) Details of shareholders holding more than 5% shares in the Company***

Particulars	% Share-holding	No of Shares as at March 31, 2014	% Share-holding	No of Shares as at March 31, 2013
Ms. Shilpa Gupta	13.57%	4,053,947	13.57%	4,053,947
Discovery Estates Pvt. Ltd.	13.56%	4,051,501	13.56%	4,051,501
Fairbridge Holdings Limited	6.17%	1,844,750	6.17%	1,844,750
Vishnu Apartments Pvt Ltd	33.33%	9,960,845	33.33%	9,960,845
SSP Aviation Ltd.	33.33%	9,960,845	33.33%	9,960,845

* As certified by the Company Secretary

e) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2014	As at March 31, 2013
Opening number of issued, subscribed & paid-up equity shares	29,882,535.00	29,882,535.00
Opening amount of issued, subscribed & paid-up equity share capital (Rs)	298,825,350.00	298,825,350.00
Add : Number of equity shares issued during the reporting period	-	-
Add : Amount of equity shares issued during the reporting period (Rs)	-	-
Closing number of issued, subscribed & paid-up equity shares	29,882,535	29,882,535
Closing amount of issued, subscribed & paid-up equity shares capital (Rs)	298,825,350.00	298,825,350.00



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the Period ended March 31, 2014**2. Reserve & surplus**

Particulars	As at March 31, 2014	As at March 31, 2013
Securities premium account	163,593,000.00	163,593,000.00
General reserve		
Balance as per last account	32,439,195.00	32,439,195.00
	32,439,195.00	32,439,195.00
Surplus / (Deficit) in the statement of profit and loss		
Balance as per the last financial statement	808,868,330.91	711,801,440.53
Add: profit / (loss) for the year	86,534,973.42	97,066,890.38
Net surplus in the statement of profit & loss	895,403,304.33	808,868,330.91
Total reserve & surplus	1,091,435,499.33	1,004,900,525.91

3. Long Term Borrowings

Particulars	As at March 31, 2014	As at March 31, 2013
Secured		
Financial Institutions	474,923,075.40	385,733,013.00
Vehicle Loan from Bank	625,832.20	1,116,335.91
Unsecured Loans from Related Parties		
Directors	4,240,000.00	-
Inter Corporate Deposit (Bearing Interest)	-	-
Inter Corporate Deposit (Interest Free)	111,792,830.00	-
Unsecured Loans from Others		
Other Inter Corporate Deposit (Interest Free)	406,350,000.00	-
	997,931,737.60	386,849,348.91
Less:- Amount disclosed under Other Current		
Liability as current liability (repayable within 12		
Current maturities of Loans from Financial Institution	(127,242,767.32)	(111,498,441.86)
Current maturities of Vehicle loans	(514,697.96)	(490,503.71)
	(127,757,465.28)	(111,988,945.57)
Total	870,174,272.32	274,860,403.34



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the Period ended March 31, 2014**4. Deferred tax liability**

Particulars	As at March 31, 2014	As at March 31, 2013
Deferred tax liabilities	97,407,296.53	91,640,595.53
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	4,946,551.00	5,766,701.00
Gross deferred tax liability	102,353,847.53	97,407,296.53
Deferred tax assets	-	-
Gross deferred tax assets	-	-
Net deferred tax liability / (asset)	102,353,847.53	97,407,296.53

5. Other Long Term Liabilities

Particulars	As at March 31, 2014	As at March 31, 2013
Security Deposits from Customers	149,774,113.00	220,113,159.00
Security Deposits - Others	700,000,000.00	700,000,000.00
Total Non Current Liabilities	849,774,113.00	920,113,159.00

6. Long Term Provisions

Particulars	As at March 31, 2014	As at March 31, 2013
Provision for Employee Benefit	2,055,963.00	1,764,716.00
Total Long Term Provision	2,055,963.00	1,764,716.00



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the Period ended March 31, 2014**7. Short Term Borrowings**

Particulars	As at March 31, 2014	As at March 31, 2013
Unsecured		
Bank Overdraft		
Bank of India O.D.A/c - 600127110000003	100,956,209.00	102,428,931.00
	<u>100,956,209.00</u>	<u>102,428,931.00</u>
Unsecured Loans from Related Parties		
Directors	-	4,540,000.00
Inter Corporate Deposit (Bearing Interest)	76,300,000.00	70,320,500.00
Inter Corporate Deposit (Interest Free)	-	109,492,930.00
	<u>76,300,000.00</u>	<u>184,353,430.00</u>
Unsecured Loans from Others		
Other Inter Corporate Deposit (Interest Free)	41,000,000.00	148,500,000.00
Total	218,256,209.00	435,282,361.00

8. Trade Payable

Particulars	As at March 31, 2014	As at March 31, 2013
Trade payables		
- micro and small enterprises	-	-
- others		
Trade Payable for Services	13,038,871.00	22,014,554.39
Trade Payable Project	172,847,285.31	101,416,984.31
	<u>185,886,156.31</u>	<u>123,431,538.70</u>
Total trade payables	185,886,156.31	123,431,538.70



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the Period ended March 31, 2014**9. Other Current Liabilities**

Particulars	As at March 31, 2014	As at March 31, 2013
Current maturities of Loans from Financial Institution	127,242,767.32	111,498,441.86
Current maturities of Vehicle loans	514,697.96	490,503.71
Booking Advances from Customers	676,198,353.05	1,157,205,579.08
Book Overdebts	7,426,180.56	10,315,020.77
Due to Joint Ventures	736,367,183.39	1,063,734,331.61
Trade Payable for Capital Goods	13,609,385.00	13,609,385.00
Other Payable	141,094,420.00	124,322,375.00
Duties & Taxes		
Income Tax	1,317,175.00	1,666,445.00
Service Tax	12,942,911.00	12,366,784.00
Advances from Customers	274,941.00	483,575.00
Total Current Liabilities	1,716,988,014.28	2,495,692,441.03

10. Short Term Provisions

Particulars	As at March 31, 2014	As at March 31, 2013
Provision for taxation	255,264,304.87	210,424,446.87
Provision for wealth tax	28,676.00	47,891.00
Provision for Leave Salary	578,301.00	346,710.00
Total Short Term Provision	255,871,281.87	210,819,047.87



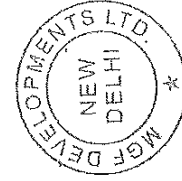
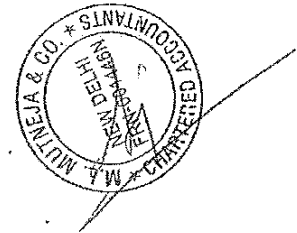
MGF DEVELOPMENTS LIMITED
CIN : U74999DL1996PLC081965

SCHEDULE OF FIXED ASSETS AS ON 31ST MARCH, 2014
NOTE 11 :- Tangible Assets

	Rate of Depreciation (%)	Gross Block			Depreciation			Net Block			
		As at 01.04.13 Rs.	Additions Rs.	Sales / Deletion Rs.	As at 31.03.14 Rs.	As at 01.04.13 Rs.	For the Year Rs.	Adjustment for the Year Rs.	Net Depn. As on 31/03/2014 Rs.	As at 31.03.14 Rs.	As at 31.03.13 Rs.
Building	5.00	8,077,611.33	-	-	8,077,611.33	245,876.00	-	3,405,974.20	3,405,974.20	4,671,637.13	4,917,512.13
Plant & Machinery	13.91	14,635,000.00	-	-	14,635,000.00	622,838.00	-	10,780,212.00	10,780,212.00	3,854,788.00	4,477,626.00
Furniture & Fixtures	18.10	15,998,237.00	-	-	15,998,237.00	637,900.00	-	13,111,826.00	13,111,826.00	2,886,411.00	3,524,311.00
Vehicles	25.89	41,833,175.00	-	825,135.00	41,008,040.00	2,268,466.00	684,625.00	34,514,566.00	34,514,566.00	6,483,474.00	8,905,450.00
Office Equipment	13.91	5,004,543.00	-	-	5,004,543.00	230,300.00	-	3,579,196.00	3,579,196.00	1,425,347.00	1,655,647.00
Leasehold Improvements	5.00	7,149,851.00	-	-	7,149,851.00	244,891.00	-	2,496,931.00	2,496,931.00	4,652,920.00	4,897,811.00
Computer	40	10,856,513.00	133,105.00	-	10,989,618.00	206,941.00	-	10,610,797.00	10,610,797.00	378,821.00	452,657.00
TOTAL		109,554,930.33	133,105.00	825,135.00	102,862,900.33	4,457,212.00	684,625.00	78,499,502.20	78,499,502.20	24,369,288.13	28,831,015.13
Previous Year		102,959,542.33	595,388.00	-	103,554,930.33	69,136,354.20	5,587,561.00	74,723,915.20	74,723,915.20	28,831,015.13	

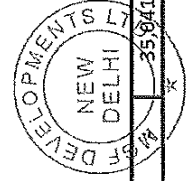
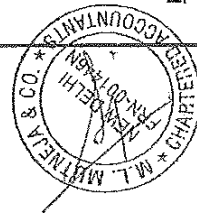
Note 12 :- Intangible Assets

	Rate of Depreciation (%)	Gross Block			Depreciation			Net Block			
		As at 01.04.13 Rs.	Additions Rs.	Sales / Deletion Rs.	As at 31.03.14 Rs.	As at 01.04.13 Rs.	For the Year Rs.	Adjustment for the Year Rs.	Net Depn. As on 31/3/2014 Rs.	As at 31.03.14 Rs.	As at 31.03.13 Rs.
Trade Marks		5,517,050.00	-	-	5,517,050.00	551,705.00	-	3,647,885.52	3,647,885.52	1,869,164.48	2,420,869.48
Computer Software		1,926,994.00	-	-	1,926,994.00	-	-	1,926,994.00	1,926,994.00	-	-
TOTAL		7,444,044.00	-	-	7,444,044.00	551,705.00	-	5,574,879.52	5,574,879.52	1,869,164.48	2,420,869.48
Previous Year		7,444,044.00	-	-	7,444,044.00	624,488.00	-	5,023,174.52	5,023,174.52	2,420,869.48	3,045,357.48



Note 13 : Details of Investments for the year ended 31st March 2014

Particulars	Face Value	UNITS			VALUE	
		As on 01-April-13	Additions during the year	Deductions during the year	As on 31-Mar-14	31.03.2014
		No(s)	No(s)	No(s)	No(s)	Rs.
A. NON CURRENT INVESTMENTS						
a) <u>Long term trade investments (at cost), in companies under same management (Unquoted)</u>						
<u>Investment in Equity Instruments</u>						
<u>I) Subsidiaries</u>						
Crimson Holdings Pvt Ltd	10.00	30,000	-	-	30,000	300,000
Kayo Developers Pvt Ltd	10.00	10,000	-	-	10,000	100,500
<u>II) Associates</u>						
Discovery Estates Private Limited	10.00	500	-	-	500	5,000
Discovery Holdings Private Limited	10.00	49,850	-	-	49,850	498,500
Vishnu Appartments Private Limited	10.00	365,000	-	-	365,000	3,750,175
EMAAR MGF Land Limited	10.00	9,000	-	-	9,000	90,000
EMAAR MGF Land Limited	Bonus	63,000	-	-	63,000	-
Hamptons International Private Limited	10.00	2,000	-	-	2,000	20,000
Shanti Apparels Private Limited	10.00	440	-	-	440	12,737,565
VMR Promoters Private Limited	10.00	1,250,000	-	-	1,250,000	12,500,000
Aryan Life Style Private Limited	10.00	640,000	-	-	640,000	6,400,000
EMAAR MGF Construction Private Limited	10.00	2,500	-	-	2,500	25,000
EMAAR MGF Education Private Limited	10.00	2,040,000	-	-	2,040,000	20,400,000
MGF Holdings Private Limited	10.00	3,500	-	-	3,500	35,000
MGF Retail Services Private Limited	10.00	3,500	-	-	3,500	35,000
SSP Aviation Limited	10.00	520,300	-	-	520,300	5,213,505
MGF Promotions & Events Pvt Ltd	10.00	50,000	-	-	50,000	500,000
MGF Estates Management Pvt Ltd	10.00	50,000	-	-	50,000	500,000
<u>III) Joint Ventures</u>						
North Delhi Metro Mall Private Limited (Formerly known as MGF Metro Mall Pvt. Ltd.)	10.00	29,952,000	-	-	29,952,000	299,520,000
<u>Other Investments</u>						
In Paintings and Sculptures						75,968,423
Grand Total		35,041,590	-	-	35,041,590	438,598,668



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2014

14. Long Term Loans & advances

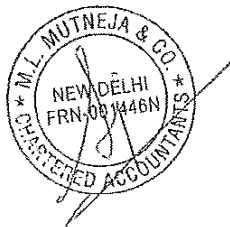
Particulars	As at March 31, 2014	As at March 31, 2013
<u>Unsecured, considered good</u>		
<u>Capital Advances :-</u>		
Advance Against Land	27,511,995.00	27,511,995.00
Security Deposits	244,747,163.00	250,247,262.00
<u>Other Loans & Advances :-</u>		
Due From Joint Venture Units against collaborations	2,269,688,276.01	2,157,180,820.01
<u>Inter-corporate Deposit Interest Free - Related Parties</u>		
Associates	233,466,930.00	-
Total Long Term Loans & Advances	2,775,414,364.01	2,434,940,077.01

15. Other Non Current Assets

Particulars	As at March 31, 2014	As at March 31, 2013
Fixed Deposits with maturity more than 12months	6,650,250.97	9,380,711.12
Total Other Non-Current Assets	6,650,250.97	9,380,711.12

16. Other Current Investment

Particulars	As at March 31, 2014	As at March 31, 2013
<u>Inter-corporate Deposit Interest Free - Related Parties</u>		
Associates	34,840,000	239,069,704
Inter-corporate Deposit Interest Free - Other Parties	42,978,465.00	41,588,289.00
Total Other Current Investment	77,818,465.00	280,657,993.00

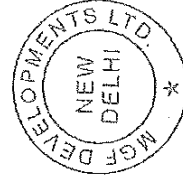


MGE DEVELOPMENTS LIMITED

Note 17 : Details of Inventories for the year ended 31st March 2014

Particulars	As at 31st March, 2014	As at 31st March, 2013
1 Work-in-progress (As taken Valued and Certified by the Management)		
1a) Construction Work in Progress		
Opening Balance	881,694,592.72	1,060,438,456.17
Add : Proportionate Cost of work done during the year	510,725,595.09	431,498,889.55
	1,392,420,187.81	1,491,937,345.72
Less : Cost of construction charged to Profit & Loss Account	945,683,901.00	610,242,753.00
Less : Cost of construction transferred	-	-
Closing Balance	446,736,286.81	881,694,592.72
1b) Land at Kherki Daula	33,967,664.00	33,967,664.00
Work-in-progress Rs.	480,703,950.81	915,662,256.72
2 Finished Stock		
2a) (As taken Valued and Certified by the Management)		
Closing Inventory of Built-up shops	490,708,464.00	490,708,464.00
Less : Accumulated Depreciation	79,405,108.06	68,858,868.19
	411,303,355.94	421,849,595.81
2b) <u>Investment Project - Wazirpur</u>		
Add : Additions additions during the year	14,277,777.00	18,157,769.00
Less: Amortisation	-	-
	14,277,777.00	18,157,769.00
2c) <u>Investment Project - Qutab</u>		
Opening Balance	3,879,992.00	3,879,992.00
Add : Additions additions during the year	10,397,785.00	14,277,777.00
Less : Accumulated Amortisation	-	-
	14,277,777.00	18,157,769.00
2d) Commercial Rights		
Opening Balance	214,366,552.00	214,366,552.00
Add : Additions additions during the year	-	-
Less : Accumulated Amortisation	214,366,552.00	214,366,552.00
	-	-
Commercial Rights	33,344,528.15	28,702,937.79
	181,022,023.85	185,663,614.21
Commercial Rights	65,000,000.00	65,000,000.00
Finished Stock Rs.	667,723,165	686,790,987
Grand Total	1,148,427,115.60	1,602,453,243.74

* Construction work in progress includes the cost as per balances of contractors, submitted by contractor for which work is still going on



MGF DEVELOPMENTS LTD.

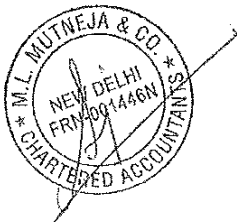
CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2014**18. Trade Receivables**

Particulars	As at March 31, 2014	As at March 31, 2013
Outstanding for a period exceeding six months from the date they are due for payment		
Un-secured, considered good	183,052,033.78	70,166,485.78
	183,052,033.78	70,166,485.78
Total (A)	183,052,033.78	70,166,485.78
Other receivables		
Secured, considered good (less than 6 months)	29,582,859.63	150,454,321.63
Total (B)	29,582,859.63	150,454,321.63
Total Trade Receivable (A+B)	212,634,893.41	220,620,807.41

19. Cash and Cash Equivalents

Particulars	As at March 31, 2014	As at March 31, 2013
Balances with banks		
in current accounts	65,805,711.60	13,189,440.29
in fixed deposits with maturity upto 3 months	2,143,465.48	5,854,775.15
Cash and cash equivalents		
Cash on hand	5,019,823.60	5,055,029.60
Total (A)	72,969,000.68	24,099,245.04
Other bank balance		
Deposits with Maturity Period		
of more than 3 months but upto 12 months	6,228,553.75	8,819,464.58
of more than 12 months	6,650,250.97	9,380,711.12
	12,878,804.72	18,200,175.70
Less:- Amount disclosed under non-current assets	(6,650,250.97)	(9,380,711.12)
Total (B)	6,228,553.75	8,819,464.58
Total Cash and Cash Equivalents (A+B)	79,197,554.43	32,918,709.62



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2014**20. Short Term Loans & advances**

Particulars	As at March 31, 2014	As at March 31, 2013
<u>Unsecured, considered good</u>		
<u>Loan & Advance to Related Parties</u>		
Booking Advance - Related Party	263,000,000.00	263,000,000.00
<u>Loan & Advance to Others</u>		
Due From Joint Venture Partners	-	-
Business Advances	51,741,000.00	56,005,003.00
Advances for Investment	4,000,000.00	-
Advances To Suppliers	315,173.00	323,354.00
Advances Given to Staff	745,000.00	1,025,000.00
	319,801,173.00	320,353,357.00
Total	319,801,173.00	320,353,357.00

21. Other Current Assets

Particulars	As at March 31, 2014	As at March 31, 2013
Income Tax Paid	241,348,125.99	205,446,612.99
Interest Receivable	913,485.29	1,239,796.55
Service Tax Input Credit	15,725,629.00	1,085,965.00
Prepaid Expenses	911,984.00	986,154.00
Other Receivables	247,946,435.34	283,162,859.34
Total other current assets	506,845,659.62	491,921,387.88



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2014**22. Revenue from operations**

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
a) Sales	927,519,158.00	662,216,371.83
b) Rent	217,100,489.50	211,178,904.00
c) Other Operating Revenue:-		
Electricity & Water Receipts	13,614,471.00	13,054,698.00
Maintenance Income	7,106,133.00	7,058,701.00
Transfer Charges	5,288,750.00	9,488,722.00
	26,009,354.00	29,602,121.00
Revenue from operations (net)	1,170,629,001.50	902,997,396.83

23. Other Income

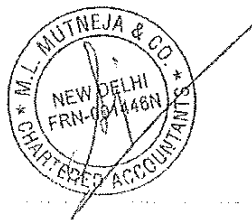
Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest Income	2,586,524.09	11,356,570.89
Miscellaneous Income	95,342.70	3,369,276.23
Profit from Partnership		6,454,577.00
Total Other Income	2,681,866.79	21,180,424.12

24. Cost of Materials Consumed

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Cost of Material Consumed	945,683,901.00	610,242,753.00
Total Cost of material Consumed	945,683,901.00	610,242,753.00

25. (Increase) / Decrease in Inventories

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Closing stock		
- Finished goods	667,723,164.79	686,790,987.02
- Depreciation for the year	19,067,822.23	19,457,253.77
	686,790,987.02	706,248,240.79
Opening stock		
- Finished goods	686,790,987.02	706,248,240.79
	686,790,987.02	706,248,240.79
Total (Increase) / Decrease in inventory	0.00	0.00



MGF DEVELOPMENTS LTD.

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Notes to financial statement for the year ended March 31, 2014**26. Employee benefit expenses**

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Salary & Other Allowances	18,904,988.00	20,171,486.00
Contribution to PF	1,198,793.00	1,263,216.00
Staff Welfare Expenses	287,071.00	495,644.00
Total	20,390,852.00	21,930,346.00

27. Finance cost

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest Charges on Term Loans	38,648,223.00	54,137,532.91
Interest Charges OD	12,015,448.00	10,275,156.00
Interest Charges on ICD	5,502,805.29	5,125,833.00
Interest Charges on TOD	-	63,337.00
Bank Charges	244,454.78	497,308.62
Total	56,410,931.07	70,099,167.53

28. Depreciation & Amortisation

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Depreciation	15,555,156.87	17,028,705.28
Amortisation	8,521,582.36	8,640,597.49
Total	24,076,739.23	25,669,302.77

29. Other Expenses

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Power & Fuel	20,211,220.50	20,724,832.50
Rent	12,750,128.00	12,750,128.00
Repair & Maintenance Building	423,632.50	2,761,084.00
Repair & Maintenance Plant & Machinery	1,451,053.00	1,409,137.00
Insurance Charges	209,438.50	202,098.50
Rates & Taxes	6,889,187.00	2,510,025.00
Miscellaneous Expenses	24,833,612.57	23,357,114.17
Legal & Professional Charges	9,950,661.50	7,843,369.10
Total other expenses	76,718,933.57	71,557,788.27



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Notes to financial statement for the year ended March 31, 2014

30. Exceptional Items

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Profit on Sale of Investments	-	14,296,002.00
Profit on Sale of Assets	96,490.00	-
Revenue from Operation	490,107,092.00	-
Cost of Material Consumed	(401,479,375.00)	-
Amount W/off	(2,432,336.00)	-
Total Other Income	86,291,871.00	14,296,002.00

31. Earning per share (EPS)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Net profit/(loss) for calculation of basic /diluted EPS	86,534,973.42	97,066,890.38
Weighted average number of equity shares in calculating basic & diluted EPS	29,882,535	29,882,535
Basic / diluted EPS (in Rs.)	2.90	3.25



MGF Developments Ltd.
Cash Flow Statement for the year ended March 31, 2014

	As at 31st March, 2014	As at 31st March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation, and extraordinary item	136,321,382	138,974,465
Adjustment for :		
Depreciation & Amortisation	24,076,739	25,669,303
Loss / (Profit) on sale of fixed assets	(96,490)	-
Interest Expense	56,410,931	70,099,168
Interest Income	(2,586,524)	(11,356,571)
Profit from Partnership	-	(6,454,577)
Provision for employee leave encashment	578,301	346,710
Leave Salary Paid	(346,710)	(540,000)
Provision for Gratuity	291,247	317,268
Operating profit before working capital changes	214,648,877	217,055,766
Adjustments for :		
(Increase)/Decrease in Inventories	434,958,306	178,743,863
(Increase)/Decrease in Trade and other Receivables	(344,130,001)	(202,190,376)
Increase/(Decrease) in Trade and Other Payables	(786,588,855)	(162,091,194)
Increase/(Decrease) in Provisions	44,820,643	36,092,908
Cash generated from operations	(650,939,907)	(149,444,798)
Less - Direct taxes paid	44,839,858	36,140,874
Net Cash From Operating Activities	(481,130,888)	31,470,093
B. CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES		
Sale of fixed assets (net)	240,000	-
(Purchase) of fixed assets (net)	(133,105)	(595,388)
(Purchase) of Investments (net)	202,839,528	(65,179,257)
Profit from partnership firm	-	6,454,577
Interest Income	2,586,524	11,356,571
Net Cash From Investing Activities	205,532,947	(47,963,497)
C. CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES		
Proceeds/(Repayments) form/of Borrowings (Net)	378,287,717	76,830,813
Interest Paid	(56,410,931)	(70,099,168)
Net Cash From Financing Activities	321,876,786	6,731,645
Net increase/(decrease) in Cash and Cash Equivalents	46,278,845	(9,761,758)
Cash and Cash Equivalents as at April 1,	32,918,710	42,680,167
Cash and Cash Equivalents as at March 31,	79,197,554	32,918,709

Note:

- Cash & Cash Equivalents include Cash in Hand, Demand Deposits with Bank and Short term highly liquid investment.
- Previous year's figures have been regrouped wherever necessary.

For M.L.Mutneja & Co.
Chartered Accountants

(Sangeeta Jagyasi)
Partner
Membership No. : 501559



For and on behalf of the board of directors
For MGF Developments Ltd.

(Arun Mitter)
Managing Director
DIN : 00022941

(Rakshit Jain)
Director
DIN : 00607288

Place : New Delhi
Dated : 1st September, 2014

(Company Secretary)

NOTE : 32 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

1. Basis of Preparation of Financial Statements

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP), and mandatory accounting standards issued by the Companies (Accounting Standards) Rules 2006 (as amended) and the provisions of the Companies Act,1956 ("the Act") as adopted by the company. The company has complied in all material respects with the Accounting standards notified under the Companies Act 1956 read with general Circular 8/2014 dated 4 April 2014 and General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs. The financial statements have been prepared on the accrual basis and under the historical cost convention, The accounting policies adopted in the preparation of financial statements are consistent with those of previous year. However Booking advances from customers are on receipt basis as earlier and minor expenses on payment basis. The auditor has relied upon all the matter given in the notes on accounts as certified by the directors/management.

2. Use of Estimate

The preparation and presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates is recognized in the period in which the results are known / materialized.

3. Fixed Assets

Tangible Assets

Fixed Assets are shown at historical cost less accumulated depreciation thereon.

Intangible Assets

In accordance with the Accounting Standard 26 "Intangible Assets" are valued at cost less accumulated amortization. Trade mark is amortized over a period of 10 years.

4. Depreciation / Amortization on Fixed Assets

Depreciation on tangible assets, except communication devices, is provided on the basis of Diminishing Balance Method at the rates prescribed under Schedule XIV to the Companies Act, 1956. Communication devices provided to staff personnel are charged off to expenses in the year of purchase.

Intangible assets are depreciated / amortized over their estimated useful life in accordance Accounting Standard 26.

5. Inventories

Inventories are valued as under:

- i) Land is valued at cost (determined on weighted average cost method). Cost includes cost of acquisition and all other cost incurred till date of obtaining license for development.

Land is recorded as inventory only once the same is registered in the name of the company or as per agreements to buy and possession with the company.

- ii) Work-in-progress in respect of construction are valued at cost and includes land, related acquisition expenses, construction costs, direct borrowing costs and other direct expenditure and advances to contractors and others.



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- iii) Constructed properties held as current assets are valued at cost as in earlier year. Cost is the proportionate amount based on the attributable/actual project cost and overheads directly attributable thereon.
- iv) Properties given on lease are valued at cost less accumulated depreciation.
- v) It is not practicable to ascertain their market value. However, their estimated market value of the inventories has never been lower than the cost so far.
- vi) Depreciation / Amortization on Inventories (work in progress)
Depreciation on premises leased out though, held as stock in trade, is charged at 2.5% p.a. on Diminishing Balance Method except Wazirpur Project on which company is writing off 1/12th of original cost in Statement of Profit & Loss A/c every year being on lease for 12 years.

Work-in-progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes land, related acquisition expenses, construction costs, borrowing costs capitalized and other direct expenditure and advances to contractors and others.

- vii) All the original title deeds of the inventories / properties have been kept by the company officials / directors in safe custody and confirmed accordingly. These have been verified by the directors / officials from time to time periodically, though not verified by the auditors of the company. There is no dispute in respect of any such matters.

6. Revenue Recognition

- (i) Revenue is recognized on sold areas only and in case of built up properties, revenue is recognized on percentage completion basis as prescribed in Accounting Standard – 7 (revised 2002), "Accounting for Construction Contracts". The revenue is recognized when following conditions are met:
 - a) The buyer's agreement is signed.
 - b) The buyer's investment is adequate to demonstrate a commitment to pay for property.
 - c) The actual cost incurred on the project under execution, including cost of land, is 30% or more of total estimated cost of project as per budget.
 - d) Advances from customers against booking of shops/offices/flats are being shown on receipt basis and not on mercantile basis. However income from the same has been booked on gross contract amount basis.
- (ii) Sales of Rs. 141.76 Crore (P.Y. 64.47 crore) is deemed sale of properties as per AS-7, on which revenue is recognized.
- (iii) Revenue from let out properties is recognized on accrual basis, in accordance with the terms of the respective contract, to the extent considered realizable from the lessees.
- (iv) Revenue in respect of maintenance services is recognized on accrual basis, in accordance with the terms of the respective contract, in respect of one commercial complexes.
 - a) There was no income in respect of maintenance services etc. from a commercial complex, which was partly completed during the year, part of it has been leased out to various lessees.
 - b) Its maintenance rights & obligations have been given to another company, M/s MGF Estates Management P. Ltd (Related Party).



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- c) Its events management rights and obligations have been given to another company i.e. M/s MGF Promotion & Events P. Ltd (Related Party)
- d) These companies are recovering such income & incurring the expenditure for such activities. The entire income or loss from these activities pertain to them. There is no formal agreement for the same.
- (v) Interest due on delayed payments by customers is accounted for on receipts basis due to uncertainty of recovery of the same.
- (vi) Income from Registration Fee received from customers on transfer of ownership of property during construction period is accounted for on as and when received with such applications. No such transfer charges have been received from related parties as per mutual understanding in the interest of the company.
- (vii) Preferred location charges and car parking charges are treated as part of sale consideration.

7. Cost of Sales

Cost of construction / development incurred (including cost of land and other allied charges incurred in connection with relevant project) is charged to the statement of profit & loss account proportionate to the revenue recognized as per note no. 6(i). Cost of common area is allocated based on saleable area of the project. Final adjustments if required are made on completion of the respective projects.

8. Investments

a) Current Investments

Investments which are readily realizable and intended to be held for not more than a year are classified as current investments.

Current investments includes interest free inter-corporate deposits with related parties.

b) Non Current Investments

These investments are for a period over 12 months. Non-current investment includes (1) Shares of subsidiary companies, (2) Unquoted Shares of related companies and (3) Paintings.

These are stated at cost. No provision for temporary diminution in their value has been made as company considers that it will get substantial benefits in the long run from all such transactions.

9. Provision for Current and Deferred Tax

Provision for current tax is made on the basis of taxable income for the current accounting year and in accordance with the provisions of the Income tax Act, 1961.

Deferred tax is recognized, subject to consideration of prudence, on timing differences, representing the difference between the taxable income/(loss) and accounting income/(loss) that originated in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets and liabilities are measured using tax rates and the tax laws that has been enacted or substantially enacted by the balance sheet date. Deferred Tax assets viz. unabsorbed depreciation and carry forward losses are recognized if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.



10. Borrowing Cost

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial time to get ready for its intended use. All other borrowing costs are charged to statement of profit & loss account as incurred.

Interest is claimed in Statement of Profit & Loss on PCM (Percentage Completion Method) basis on a new loan.

11. Retirement & other employee Benefits

a. Defined Contribution Plan

Employee benefits in the form of Provident Fund, Employee State Insurance and Labour Welfare Fund are considered as defined contribution plan and the contributions are charged to the Statement of Profit & Loss Account of the year when the contribution to the respective funds are due.

b. Defined Benefit Plan

Retirement benefit in the form of Gratuity is considered as defined benefit obligation and is provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

c. Other Long Term Benefits

Long term compensated benefits is provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

d. Actuarial gain/losses, if any, are immediately recognised in the Profit & Loss Account.

e. Amounts paid to employees on premature retirement under voluntary retirement scheme are written off in the year in which the retirement takes place.

12. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date. If there is any indication of impairment based on internal / external factors. An impairment loss is recognized where ever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

13. Earnings Per Share

In determining the earnings per share (EPS), the company considers the net profit after tax and includes the post tax effect of any extraordinary / exceptional item. In the absence of any dilutive effect of equity shares, the basic and diluted EPS are calculated on the same basis. The number of shares used in computing basic and diluted earnings per shares the-weighted average number of equity shares outstanding during the period.

14. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Provision for expenditure relating to voluntary retirement is made when the employee accepts the offer of early retirement.



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15. General Notes on Accounts:

15.1 The Company has been carrying the business of Real Estate Developers & given some of its properties on lease during the year. The sales have been recognized on Percentage completion method. However hundred percent sales have been recognized in case of where the company offered the physical possession of the area.

15.2 a) The company has not received information from vendors/suppliers regarding their status under the micro, small and medium enterprises and hence disclosure relating to amount unpaid as at 31-03-2014 & 31.03.2013 together with interest paid / payable under Micro, Small and Medium Enterprises Development Act, 2006 has not been given.

b) in the absence of above information, it is not possible to disclose the amount due to any Micro, Small and Medium Enterprises. However, in the opinion of the Board of Directors, there is no such liability.

15.3 The current assets will fetch the value at least as shown in the balance sheet, if realized in the ordinary course of business.

15.4 The balances due to/from the Parties are subject to their confirmations & reconciliation. All the amounts recoverable and payable are as per the books of account.

15.5 There are no payments, relating to any expenditure covered under Section 40A, exceeding ` 20,000 (in case of transporters ` 35,000) made otherwise than by an account payee cheque/bank draft. However, in the absence of actually paid cheques, it is not possible for auditors to verify whether the payment in excess of ` 20,000 (in case of transporters ` 35,000) have been made otherwise than by an account payee cheques or bank draft.

15.6 In case of loans and advances taken and given, all such receipts and payments were by 'Account Payee' crossed Cheques / Bank Drafts/Pay Orders as required under Income Tax Act, 1961 and rules made thereunder. (Not verified by auditors as issued / received cheques are with banks).

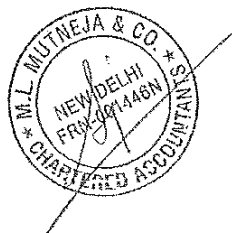
15.7 (a) that in the preparation of the annual accounts for the financial year ended 31st March 2014 the applicable accounting standards, principles & system had been followed along with proper explanation relating to material departures and substance over form and are in accordance with Company Act 1956 and rules there under and Company Act 2013 as applicable.

(b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the statement of profit or loss of the Company for the year under review;

(c) that the directors had taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) that the Directors acknowledges and understands its responsibility for all the matter stated in the annual accounts including notes of accounts of the company.

(e) there are adequate internal controls and internal check systems in the company to prevent any mis-happenings though there was no internal auditor.



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- (f) that the company has complied with all the rules, regulations and laws of land in respect of all the matters and transactions of the company till date and does not expect any liability on account of any default with the same.
- (g) All the Fixed Assets, investment, inventories and other assets have been physically verified by the Management / Directors and have been properly shown in the account of the company and that there are no discrepancies of any kind.
- (h) In case of legal cases filed by / against the company, the company is hopeful of full relief and there is no certain or contingent liabilities on this account.
- (i) Original Title deeds/agreements/conveyances etc of the properties/inventories of the company are with the directors / their authorised representatives, but not verified by the auditors.
- 15.8 The balances outstanding against vehicle loan have been taken from the original loan agreements / schedules as no revised statements were available. Loan from banks and Financial Institutions have been classified in Long Term Borrowings and Other Current Liabilities on estimate basis by the company.
- 15.9 The Company did not accept any public deposit u/s 58A during the year under the provisions of Companies Act, 1956. However there are interest free inter corporate deposits from companies (related parties) and from directors.
- 15.10 No personal expenses of any director of the company have been charged to the revenue account of the company.
- 15.11 There have been no major events subsequent to the date of balance sheet affecting the financial position of the Company till date.
- 15.12 Contingent Liabilities :
- (i) Security/Performance Guarantees provided to various Government authorities/others Rs. 350 lacs (Previous year Rs.502 lacs)
- (ii) The Contingent liability of Rs.81.21 lacs plus interest in case of Income Tax Demand raised by Income tax Department for which appeal is Pending with higher authorities. (Previous year 81.21 lacs).
- (iii) The Contingent liability of Rs.82.94 lacs plus interest in case of Service Tax Demand made by Service tax Department for which appeals are Pending with higher authorities. (Previous year 82.94 lacs).
- (iv) There is delay in completion of projects under construction and attracts penalty clause as per terms of agreement entered into with the buyers. The amount of penalty, if any, will be ascertained and settled on completion of projects and handing over of possession to the buyers.
- (v) Liabilities may arise from various contractors for various contracts with them for construction of projects for breach of any term of contracts with them. It is not possible to ascertain this amount.
- (vi) The company has not given any guarantee in favour of any third party.
- (vii) Commitments against booking of a property is Rs.50 Crores. (Related Party) (P.Y. Rs. 50 Crores)
- (viii) Commitments against Purchase of Shares is Rs. 1.48 Crore.
- (ix) Income Tax Return for the AY 2013-2014 is still pending to be filed with Income Tax Department.



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- 15.13 The company has not signed the accounts of the firm MGF Mall Management and Event Mall Management and partnership deeds on retirement 30.11.2012 till date. The Annual Accounts of the firms as on 31.03.2013 are subject to approval by the partners. These are taken as per accounts and information available in the accounts of the company.
- 15.14 Cash in hand has been kept in the safe custody with directors of the company.
- 15.15 The company has not deposited VAT amount of Rs. 1,39,82,196/- (Previous Year Rs. 1,80,90,467/-) collected on sale of Built-up property as the matter of chargeability, for the industry as a whole, is under consideration of the Supreme Court.

15.16 **A) Metropolis Project:**

The Company had undertaken to develop the project in Gurgaon viz. the Metropolis Mall in the F.Y. 2003-04 on joint venture basis with M/s Moonlight Continental Private Limited (Moonlight) and M/s Columbia Holdings Private Limited (Columbia).

- (i) The share of Moonlight was 11.08% of Sales and 10% of Expenditure.
(ii) The share of Columbia was 11.08% of Sales and 10% of Expenditure.

The project was being carried out by the company and the share of 22.16% of sales and 20% expenditure on the project was transferred to the Moonlight and Columbia at the end of each year.

Unfortunately, some disputes and differences arose amongst the parties in respect of various matters of the Project in the financial year 2010-11. Consequently the Moonlight and Columbia did not accept or recognize the transactions from the Company for the financial years 2010-11, 2011-2012 and 2012-2013. Therefore, the balance as on 31st March, 2010 continued to be reflected so in their books of account from 01.04.2010 to 31.03.2013. However, the Company continued to carry on the construction work of the Project and other business activities and passed the necessary entries in respect of such matters in their books of account on 31.03.2011, 31.03.2012 and 31.03.2013, as detailed below :-

Financial Year	Moonlight Continental Pvt. Ltd.		Columbia Holdings Pvt. Ltd.	
	Sales	Expenditure	Sales	Expenditure
2010-2011	31,123,540	24,046,753	31,123,540	24,046,753
2011-2012	22,749,837	15,551,258	22,749,837	15,551,258
2012-2013	28,236,481	19,013,629	28,236,481	19,013,629

(i) Now in pursuance of settlement deed dated 19th December, 2013 and Memorandum of Understanding dated 31st March, 2014 the Moonlight has been given built up area of 64162.35 sq. ft. @ 2918.05 per sq.ft. However, the Company shall continue to receive and enjoy the rent for this space in the financial year 2014-15 and shall also be liable to discharge all taxes on rental income, maintenance and other statutory liabilities in FY 2014-15. This income of about Rs. 4.6 Cr. and expenditure (unascertained) has not been accounted for in the accounts being of contingent nature. This sale of 64162.35 sq. feet @ 2918.05 i.e. Rs. 18,72,28,961/- has been shown as sale of the company in current financial year. Budgeted expenditure has been taken its cost.



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- ii) The above sales and expenditure of earlier years has been accounted for in this financial year by the company as prior period adjustments under the head "Exceptional Items" in Statement of Profit and Loss account of this year.
- iii) This is as per the terms of Memorandum of Settlement dated 19.12.2013 and Memorandum of Understanding dated 31.03.2014 between the Company and Moonlight Continental Private Limited.
- iv) Now in pursuance of settlement deed dated 19th December, 2013 and Memorandum of Understanding dated 31st March, 2014 the Columbia has been given built up area of 53860.16 sq. ft. @ 2918.05 per sq.ft. . However, the Company shall continue to receive and enjoy the rent for the space admeasuring 29646.88 sq.ft. out of the area of 53860.16 sq. ft. in the financial year 2014-15 and shall also be liable to discharge all taxes on rental income, maintenance and other statutory liabilities in FY 2014-15. This income of about Rs. 2.60 Cr. and expenditure (unascertained) has not been accounted for in the accounts being of contingent nature. This sale of 53860.16 sq. feet @ 2918.05 i.e Rs. 15,71,66,653/- has been shown as sale of the current financial year. Budgeted expenditure has been taken its cost.
- v) The above sales and expenditure of earlier years has been accounted for in this financial year by the company as prior period adjustments under the head "Exceptional Items" in Statement of Profit and Loss account of this year.
- vi) Now there is no balance outstanding to each other as on 31.03.2014.
- vii) This is as per the terms of Memorandum of Settlement dated 19.12.2013 and Memorandum of Understanding dated 31.03.2014 between the Company and Columbia Holdings Private Limited.
- viii) The company had filed a letter dated 13.02.2009 with The Director, Town and Country Planning, Haryana, Chandigarh for renewal of commercial License for Metropolis Mall Project, being developed by the company at Gurgaon.

The License fee and interest amounting to Rs.3,81,77,780/- was due on 16.02.2009 and the Company made a request to adjust this amount against the license fee deposited by a sister concern of the Company, and lying unutilized with the department. The Company has passed an entry for the above License Fee in this year and shown the same as prior period / exceptional item in Statement of Profit and Loss account of this year, and credited the sister concern's account.

B) The Vilas Project:

- i) The Company had undertaken to develop the project in Gurgaon viz. the Vilas residential project in the F.Y. 2004-05 on joint venture basis with M/s Columbia Holdings Private Limited (Columbia)
- ii) The share of the Columbia was 20% .
- iii) The project was being carried out by the company and the share of 20% of sales and expenditure on the project was transferred to the Columbia at the end of each year.
- iv) Unfortunately, some disputes and differences arose between the Company and Columbia in respect of various matters of the Project in the financial year 2010-11. Consequently the Columbia Holdings Private Limited did not accept recognize of the transactions from the Company from the financial year 2010-11 to 2012-2013 with respect to share in sales and expenditures of the said project. Therefore, the balance as on 31st March, 2010



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continued to be reflected so in books of account of Columbia from 01.04.2010 to 31.03.2013. However, the Company continued to carry on the construction work of the Project and other business activities and passed the necessary entries in respect of such matters in their books of account on 31.03.2011, 31.03.2012 and 31.03.2013, as detailed below :-

Financial Year	Columbia Holdings Private Limited	
	Sales	Expenditure
2010-2011	126,897,256	73,305,576
2011-2012	87,403,193	61,733,041
2012-2013	111,586,928	111,039,680

iv) Now in pursuance of settlement deed dated 19th December, 2013 and Memorandum of Understanding dated 31st March, 2014 the Company has been given built up area of 7180 sq.ft. @ Rs.3857.15 per sq. ft. i.e. Rs. 2,76,94,303/- on 31.03.2014. This sale has been shown as sale of the current year. Budgeted expenditure has been taken its cost.

v) The above sales and expenditure of earlier years has been accounted for in this financial year by the Company and the same has been shown as prior period adjustments under the head "Exceptional Items" in Statement of Profit and Loss account of this year.

vi) Now there is no balance outstanding to each other as on 31.03.2014.

vii) This is as per the terms of Memorandum of Settlement dated 19.12.2013 and Memorandum of Understanding dated 31.03.2014 between the Company and Columbia Holdings Private Limited.

C) Jalandhar Project :

i) The company has conditionally transferred its under construction projects at Jalandhar for which it has received Rs. 70 Crores in F.Y. 2007-08 as a refundable / adjustable security deposit, pending completion of the project in addition to reimbursement of the actual cost incurred

ii) The receipt of Rs.70 Crores will be dealt with / accounted for in accordance with the progress / completion of the project.

iii) The above amount will become due on the completion of commercial complex and on receipt of the occupancy certificate by the second party.

iv) Therefore the entire amount has been shown as advance against agreement as security deposit from customer under the head Non-Current Long Term Liabilities.

v) This complex is still under construction.

D) Amritsar project has been held up due to objection by Archeological Survey of India, and matter is pending with Hon'ble Punjab & Haryana Court.



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15.17 i) Loan from HDFC Ltd. Of Rs. 25 Crores :

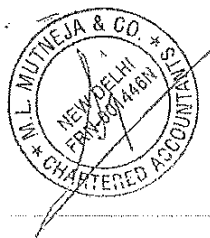
- 1) This loan of Rs. 25 Cr. Was sanctioned & disbursed by HDFC Ltd vide agreement dt. 01.03.2011.
- 2) The interest Rate has been varying from time to time. It is HDFC Corporate Prime Lending Rate (CPLR) minus 225 basis points i.e. 14.25% p.a. at the time of loan plus taxes, if any.
- 3) It is against discounting of rent receivable from various lessees of the commercial complexes of this company.
- 4) This loan was for a period of 54 months from March 2011, repayable @ Rs. 62,99,047/- per month (including interest) for 53 months of & last installment of Rs. 62,27,081/-
- 5) This loan is Secured against :-
 - a) Agreed Rent receivables from various lessees of the company.
 - b) 25% Receivables from a project under progress / construction.
 - c) Personal Guarantee of Sh. Shravan Gupta, Director of the company (related party).
 - d) Extension of First Equitable Mortgage of a part of property of M/s Discovery Estate Private Limited (related party).

ii) Loan from HDFC Ltd.of Rs. 30 Crores :-

- 1) This loan of Rs.30 cr. was sanctioned and disbursed by HDFC Ltd vide agreement dt. 31.01.2008.
- 2) The loan agreement is in name of this company..
- 3) The interest Rate has been varying from time to time. It is HDFC Corporate Prime Lending Rate(CPLR) plus / minus spreads plus taxes, if any. It is around 15% p.a.
- 4) It is against discounting of rent receivable from various lessees of the commercial complexes of this company.
- 5) This loan was for a period of 95 months from February 2008, repayable @ Rs.49,13,221/- per month (including interest) for 94 months & last installment of Rs.38,60,645/-
- 6) This loan is Secured against :-
 - a) Assignments of rentals from various parties of various commercial complexes.
 - b) Extension of First Equitable Mortgage of part of a commercial property of M/s Discovery Estate Private Limited (related party).
 - c) Extension of First Equitable Mortgage part of a commercial party partly owned by MGF Developments Limited and Columbia Holdings Private Limited (related Party).
 - d) Extension of First Equitable Mortgage part of a commercial property partly owned by MGF Developments Limited..
 - e) Personal Guarantee of Sh. Siddharth Gupta, Ex-Director of the company (related party).
 - f) Letter of comfort and letter of affirmation from Sh. Shravan Gupta, Director of the company (related party)

iii) Loan from HDFC Ltd. Of Rs. 6.25 crores :

- 1) This loan of Rs. 6.25 cr. was sanctioned and disbursed by HDFC Ltd. Vide agreement dt. 10.01.2013.
- 2) The interest rate has been varying from time to time. It is HDFC Corporate Prime Lending Rate (CPRL) minus 400 basis points i.e. 13.50% p.a. at the time of loan plus taxes, if any.
- 3) It is against discounting of rent receivable from various lessees of the commercial complexes of this company.



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- 4) This loan was for a period of 45 months from February, 2013, repayable @ Rs.26,75,991/- twice in a quarter (including interest) for 45 months and last installment of Rs. 23,03,242/-
- 5) This Loan is Secured against :-
 - a) First Equitable Mortgages of parts of a commercial Property of the company.
 - b) Sale proceeds / receivable accruing from sold and unsold as mentioned in a loan agreement.
 - c) Agreed Rent receivables from various lessees of the company.
 - d) Personal Guarantee of Sh. Shravan Gupta and Smt. Shilpa Gupta, Directors of the company (related party).
 - e) Extension of First Equitable Mortgage of a part of property of M/s Discovery Estate Private Limited (related party).

iv) Loan from HDFC Ltd. Of Rs. 20 crores (New Loan) :

- 1) This loan of Rs.20 Cr was sanctioned & disbursed by HDFC Ltd. vide Agreement dtd. 24.12.2013.
- 2) The interest rate has been varying from time to time. It is HDFC Corporate Prime Lending Rate(CPLR) of 18.10% minus 360 basis points i.e. 14.50% p.a. on the date of Loan Agreement.
- 3) The borrower shall make a repayment of this loan as a priority, payment over all its other lenders.
- 4) The loan shall be for a term of 34 months with effect from the date of this Agreement.

The repayment of the loan shall be done in the following manner :

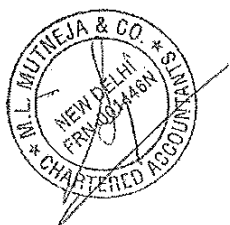
Total loan amount of Rs. 20 Cr. (Rupees Twenty Crore only) shall be repaid by payment of least 60% of the sales receipts from the said residential project, "The Villas" towards repayment of the principal amount of the loan and such repayments shall commence from the end of the first month of the disbursement of the loan.

However, in the event the principal outstanding of the said loan at the end of following months is more than what is mentioned in the schedule herein below, the Borrower shall pay the differential amount separately to the Lender to maintain the principal outstanding of the loan as per the given schedule :

Date	Principal Outstanding should be Rs.
At the end of July 31, 2015	175,000,000
At the end of October 31, 2015	140,000,000
At the end of January 31, 2016	105,000,000
At the end of April 30, 2016	70,000,000
At the end of July 31, 2016	35,000,000
At the end of October 31, 2016	Nil

5) The loan is secured against :

- i. First Equitable Mortgage of the property owned by a related company, M/s Discovery Estates Private Limited being ten apartment units of the residential project in the name and style of "The Villas" located at sector 25, Akashneem Marg, Village Sarhaul, Tehsil and District Gurgaon, Haryana and construction thereon both present and future and all entitlements emanating therefrom.
- ii. First charge by way of Assignment of the entire sale proceeds / receivables accruing from the properties mentioned in pt 5(i) above.



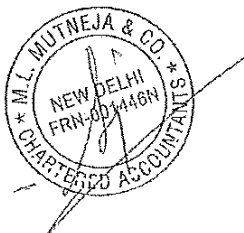
- iii. First charge by way of Assignment of the entire sale proceeds / receivables accruing from the property owned by the company being the residential project in the name and style of "The Villas" located at sector 25, Akashneem Marg, Village Sarhaul, Tehsil and District Gurgaon, Haryana and construction thereon both present and future and all entitlements emanating therefrom.
- iv. Extention of First Equitable Mortgage of the property owned by the company being Ground floor and First Floor of MGF Metropolitan Mall, Saket, New Delhi and Construction thereon both present and future and all entitlements emanating therefrom.
- v. Extention of First charge by way of Assignment of the entire rent / sale proceeds / receivables accruing from the property owned by the company being Ground Floor and First Floor of MGF Metropolitan Mall, Saket, New Delhi and construction thereon both present and future and all entitlements emanating therefrom.
- vi. Irrevocable letters of Assignment for remitting the monthly lease rentals directly into an escrow account from three lessees.
- vii. Undertaking to obtain Irrevocable letters of Assignment from future lessees for remitting the monthly lease rentals directly into an escrow account from the property owned by the company being 8475 sq. ft. on the Ground Floor and First Floor and 3076 sq. ft. on the Ground Floor at Metropolitan Mall, Gurgaon, Haryana.
- viii. Personal Gaurantee of the directors, Shraavan Gupta and Mrs Shilpa Gupta.

v) **Vehicle Loan from HDFC Bank :**

- a) This loan was sanctioned and disbursed by HDFC Bank vide agreement dt.12.03.2012.
 - 1) The loan amount of Rs.12 lacs carrying interest @ 11.50% p.a.
 - 2) This loan is for a period of 36 months from April 2012, repayable @ Rs.39,571/- per month (including interest).
 - 3) The loan is secured by hypothecation of specific vehicle acquired from loan.
- b) This loan was sanctioned & disbursed by HDFC Bank vide agreement dt. 10.11.2012.
 - 1) The loan amount of Rs.3.00 lacs carrying interest @ 11.50% p.a.
 - 2) This loan is for a period of 36 months from December, 2012, repayable @ Rs.9,894/- per month (including interest).
 - 3) The loan is secured by hypothecation of specific vehicle acquired from loan.

vi) **Short Term Borrowing**

- 1) Loan from Bank of India of Rs. 10 Crores :
- 2) This loan was sanctioned & disbursed by Bank of India vide agreement dt 24.09.2010. (Continuous Security)
- 3) This loan is secured against the Fixed Deposit Receipts of Rs 10 cr. made by Emaar MGF Land Limited (Related Party).
- 4) The loan is bearing an interest @ 12% p.a.



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viii) Unsecured Loans from Related Parties :

- 1) There is no stipulation for the repayment of any unsecured loan in respect of related parties (interest free). This except the following stated below on pt 2.
- 2) Interest is being paid to related party India Lease Development @ 7.5% p.a. There is no stipulation for any fixed term of repayment.
- 3) Unsecured Loans from Other :
- 4) In case of Unsecured loan from other parties there is no fixed terms regards as matter of repayment / receipt or interest etc. The matter is under negotiation between the parties in respect of such terms as this is on the basis of verbal agreements.

15.17 Short Term Borrowings from directors and inter-corporate deposits from companies are repayable on demand or on short notice of about 3 months. There are no formal agreements for such borrowings.

15.18 The directors have incurred the following expenses for the business of the company:

- i) Tour and Travelling
- ii) Car running and Maintenance
- iii) Business Promotion

15.19 a) The Company has received advances from various parties, including related parties for various new prospective projects of Estates in joint venture: Their blue prints and allied matters are under progress/negotiations at different stages with third parties. These are shown in Balance Sheet as Other Current liabilities as the amount will be returned if the projects do not materialize with the third parties, though there are no formal agreements for such joint ventures and third parties. This is as per board resolutions.

However the directors are hopeful of such projects to materialize soon. Formal agreements will be made at the time of finalization & execution of projects.

b) The Company has given advances to various parties, including related parties for various new prospective projects of Estates in joint venture: Their blue prints and allied matters are under progress/negotiations at different stages with third parties. These are shown in Balance Sheet as Long-term Loans and Advances, as the amount will be returned if the projects do not materialize with the third parties though there are no formal agreements for such joint ventures and third parties. This is as per board resolutions.

However the directors are hopeful of such projects to materialize after about a year or more. Formal agreements will be made at the time of finalization & execution of projects.

15.20 Previous Year's Figures have been regrouped and rearranged wherever considered necessary to make them comparable with current year figures.

15.21 Joint Venture Projects

Agreement / Project with Ansal Properties & Industries Ltd. Vide agreement dt. 08.07.2004

- I. Members : MGF Development Ltd. (50%)
Ansal Properties & Infrastructure Ltd. (50%)
With the same ratio of investments, income, expenditure & cost.
- II. Terms of Joint Venture Project vide agreement dt. 02.09.2004 :



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- (a) To Develop a commercial complex for a third party.
 - (b) This Joint Venture has undertaken a project with a third party for construction of a commercial complex and to use and have revenue from the same for 12 years.
 - (c) The company is writing off 1/12th this cost in Profit & Loss A/c every year. This net cost has been included in inventories of the company.
- III. The net income / cost of the construction is shared by both the member equally.
- IV. In this year, the net income of the company, from the project was Rs. 1,82,72,714/- (P.Y. 1,71,73,768)
- V. In the accounts, the income and expenditure on the above has been shown in respective heads of income and expenditure of the company.
- VI. The company owes a sum of Rs. 2,68,62,359/- (P.Y. 2,42,99,720/-) to the other party as on 31.03.2014.

15.22 Employees Benefits : Gratuity Fund / Leave Encashment

As per actuarial valuation, the liabilities of the company is as under :-

For	Amount in Rupees	
	As on 31.03.2014	As on 31.03.2013
Gratuity	20,55,963/-	17,64,716/-
Leave Encashment	5,78,301/-	3,46,710/-

15.23 Disclosure of Details pertaining to related party transactions entered into during the year in terms of Accounting Standard – 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India :

A) Key Managerial Personnel / Directors

Mr. Shравan Gupta	Director
Mrs. Shilpa Gupta	Director
Mr. Arun Mitter	Managing Director
Mr. Rakshit Jain	Director
Ms. Nupur Jain	Company Secretary

B) Related Party Transactions

- a) Long Term Borrowing includes interest free deposits from Related Parties.

Particulars	(Amount in lacs)		
	As on 31-03-2014	As on 31-03-2013	Maximum Balance
Director	42.40	45.40	45.40
Inter-Corporate Deposits	1117.93	1094.93	1141.83
Total	1160.33	1140.33	1187.24

These were short term borrowing in the preceeding year and due to change in terms and conditions they are Long term borrowing now, as per Board's Resolution, though there are no formal agreement / arrangements executed till date in writing for their terms.



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b) Short Term Borrowing includes interest bearing deposits from Related Parties.

(Amount in lacs)

Particulars	As on 31-03-2014	As on 31-03-2013	Maximum Balance
Inter-Corporate Deposits	763.00	703.21	763.00

c) Trade Payable Includes Rs. 566.06 lacs (P.Y. 298.56 lacs) from related parties.

d) Other Current Liabilities due to Related Parties.

(Amount in lacs)

Particulars	As on 31-03-2014	As on 31-03-2013
Booking Advances received	3073	3057
Due to Joint Venture for prospective Projects	4383.77	7651.44
Other Payables	89.32	89.32

1) Investment in shares with related companies (Refer note no. 13)

e) Current Investments includes

(Amount in lacs)

Particulars	As on 31-03-2014	As on 31-03-2013	Maximum Balance
Inter-Corporate Deposits	348.40	350.62	351.02

f) Long-term Loans and Advances includes

(Amount in lacs)

Particulars	As on 31-03-2014	As on 31-03-2013	Maximum Balance
Security Deposit	2,356.36	2,411.36	
Advances given for prospective Projects in joint venture	17,827.80	16,802.72	
*Inter-Corporate Deposits – Interest free	2,334.67	2,040.07	2,369.67

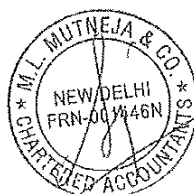
Wholly owned Subsidiary Company :-

(Amount in lacs)

Related Parties.	As on 31.03.14	As on 31.03.13
Kayo Developers Pvt. Ltd.	2,863.35	2,763.35

*These were Current Investments in the preceeding year and due to change in terms and conditions they are Long-term Loan and Advances now, as per Board's Resolution, though there are no formal agreement / arrangements executed till date in writing for their terms.

g) Trade Receivable Rs. 1425.32 lacs (P.Y. 1410.77 lacs).



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h) Short Term Loans & Advances includes advances given for booking of commercial space at Market Place of Rs. 2,630.00 lacs (Previous Year Rs. 2,630.00 lacs)

i) Other Current Assets includes

(Amount in lacs)

Particulars	As on 31-03-2014	As on 31-03-2013
Amount Receivable	2479.46	2831.63

j) Sale includes Rs. 4.95 lacs made to related parties (PY Rs. 243.70 lacs).

k) Expenditure :-

Amount in Rupees

Expenses	F.Y. 2013-14	F.Y. 2012-13
Rent Paid to M/s Shanti Apparels Manufacturing Co. Pvt. Ltd.	6,600,000	6,600,000
Interest Paid on ICD to M/s India Lease Development Ltd.	5,502,805	5,125,883
Maintenance Expenses paid to MGF Mall Management, Partnership Firm	0	2,342,376

l) The director confirms that the above transactions are not prejudicial to the interest of the company.

m) There is no other transaction with any director / member or any other person with whom the directors / members are interested, during the year.

15.24 Managerial Remuneration:

The managerial remuneration is being paid as under:

Amount in Rupees

Particulars	F.Y. 2013-14	F.Y. 2012-13
Salary	12,00,000	12,00,000
Contribution of PF	1,44,000	1,44,000
Total	13,44,000	13,44,000

15.25 The Auditor's Remuneration during the year is as hereunder:

Amount in Rupees

Particulars	F.Y. 2013-14	F.Y. 2012-13
Statutory Audit Fees	5,00,000	5,00,000
Service Tax	61,800	61,800
Tax Audit Fees	*1,68,540	1,50,000
Service Tax		18,540
Total	730,340	730,340

*By a partner separately.



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- 15.26 a) There is no Income in Foreign Currency.
b) The Company has incurred following Expenditure in foreign exchange :-

Particulars	As on 31 st March, 2014	As on 31 st March, 2013
Purchase of Material	0	2,86,08,409
Expenses on Foreign Travel	28,56,040	5,66,773


15.27 (a) All the income & expenditure has been certified & verified by the directors of the company to be true & correct in all respects.


(b) The Accounts have been prepared by the directors and are certified by them to be true and correct as per their knowledge & belief. There are no such entries / statements / documents which is not believed by the Directors to be true and correct or based on any other person's explanation (including the auditors) /statement or documents as same has been verified by them properly. These notes clarify the various matters of accounts, financial matters & business of the company.

15.28 These notes on accounts form integral part of Balance Sheet & Statement of Profit and Loss of the assessee of Financial Year 2013-14 and are subject to these in all respects.


As Approved By Board Of Directors

For Reference To And Subject To Our Report Of Even Date Attached.


Rakshit Jain
Director


Arun Mitter
Director

For M. L. Mutneja & Co.
Chartered Accountants
F.R.N. No. 001446N


Sangeeta Jagyasi
Partner
M.No. 501559



Place: New Delhi
Date: 1st September, 2014