



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
ORIENTAL BANK OF COMMERCE



NOTICE

Notice is hereby given that the 19th Annual General Meeting of the members of MGF Developments Limited will be held on Wednesday at 30th September, 2015 at 10.00 A.M. at the Registered Office of the Company at 4/17-B, MGF House, Asaf Ali Road, New Delhi - 110002 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company as at 31st March 2015, Statement of Profit & Loss and Cash Flow Statement of the Company for the year ended on 31.03.2015 together with the Report of Director's and Auditor's there on.
2. To appoint a Director in place of Shri Rakshit Jain (DIN: 00607288), who retires by rotation, and being eligible to offer himself for re-appointment.
3. Ratification For Appointment of Statutory Auditors

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 (the “Act”) read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s M.L. Mutneja & Co., Chartered Accountants (Registration No. 001446N), as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2016-17 on such remuneration as may be mutually decided by the Board of Directors.”

FOR AND ON BEHALF OF THE BOARD

**Place: New Delhi
Date: 01.09.2015**

**NUPUR JAIN
ASST. COMPANY SECRETARY
ACS NO.: 36044
F-25, Arya Nagar Appt., 91,
I. P Extn., Patparganj,
Delhi – 110092**



NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of himself /herself and a proxy need not be a member. Proxies in order to be effective must be received by the company, not less than 48 hours, before the time for holding the meeting.
2. Members/proxies should bring their duly filed attendance slip sent herewith to attend the 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. The Register of Members and Directors' Shareholding maintained under the Companies Act, 2013 will be available for inspection by the members at the meeting.
5. Balance Sheet, Profit and Loss A/c, Cash Flow Statement, Directors' Report, Auditor's Report and Notes on Financial Statements for the Financial Year ended 31st March, 2015 is attached herewith.
6. Corporate members are requested to authorize such person to attend and vote in the AGM.
7. The Balance Sheet, Profit and Loss A/c, Notice, Directors' Report, Auditor's Report and Notes to the Accounts of the Subsidiaries of the Company for the Financial Year 2014-2015 is attached herewith as per the provisions of Section 129 of the Companies Act, 2013.

FOR AND ON BEHALF OF THE BOARD

**Place: New Delhi
Date: 01.09.2015**

**NUPUR JAIN
ASST. COMPANY SECRETARY
ACS NO.: 36044
F-25, Arya Nagar Appt., 91,
I. P Extn., Patparganj,
Delhi - 110092**



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 19th Annual Report together with the Audited Financial Accounts for the year ended on March 31, 2015.

1. Financial Summary

Your Company's financial performance for the year under review has been as under:

Particulars	Amount (in Rs.)	
	2014-15	2013-14
Revenue from operations	710443930	1170629002
Other Income	98957471	2681867
Total Revenue	809401401	1173310868
Total operating expenditure excluding Depreciation	744701149	1099204618
Depreciation & Amortization Expense	22836443	24076739
Profit before exceptional and extraordinary items and tax	41863808	50,029,511
Exceptional Items	9722846	86,291,871
Profit before extraordinary items and tax	51586654	136,321,382
Profit before Tax	51586654	136,321,382
Provision for Taxation and Deferred Tax	80245352	49,786,409
Net Profit/ (Loss) after tax	(28658698)	86,534,973
Earning per equity share:		
Basic	(0.96)	2.90
Diluted	(0.96)	2.90

2. PERFORMANCE REVIEW:

Your Company has recorded Revenue from Operation of Rs 71.04 Crores (Previous Year 117.06 Crores). The Revenue from Operation includes sales from operation, Rental Income, & other operating revenue i.e. electricity & Water receipts, Land filling and leveling charges, maintenance income, Transfer charges etc. There is a decrease in revenue from sales of 64.72% in comparison of previous year, but there is increase in revenue from rental of 3.76% in comparison of previous year. Loss for the year worked out to Rs. 2.86 Crores in comparison of Previous Year Profit after tax, Rs. 8.65 Crores. Earning per equity share worked out to -0.96 (Previous year 2.90).

3. Dividend

Considering the future needs of the Company for expansion and growth and to strengthen the financial position of the Company, your directors do not recommend any dividend for the financial year ended 31st March, 2015.



4. Transfer to Reserves

The provision of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

5. Share Capital

The Paid-up Share Capital of the Company as at March 31, 2015 stood at Rs. 298,825,350/- (Rupees Twenty Nine Crore Eighty Eight Lac Twenty Five Thousand Three Hundred and Fifty). During the year under review, there was no further issue of equity shares.

6. Subsidiary Companies

Your Company as on 31st March 2015 has 3 Subsidiaries. These are as follows:

S. No.	Name of the Subsidiary Companies
1	M/s Kayo Developers Private Limited
2	M/s Crimson Holdings Private Limited
3	M/s Samishti Real Estate Private Limited

7. Performance and financial position of each of the Subsidiaries/ Associates/ Joint Venture Companies

SUBSIDIARIES:

Kayo Developers Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2015 stood at Rs. 1,421,058.97/- (Previous Year: Rs. 1,314,009/-). However there were expenses of Rs. 34,285.75/- (Previous Year: Rs. 308,569/-) as on March 31, 2015 and all the expenses have been capitalized under the head "Inventory" during the year.

Samishti Real Estate Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2015 stood at Rs. NIL (Previous Year: N.A.) and all the expenses have been capitalized under the head "Inventory" during the year.

Crimson Holdings Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2015 stood at Rs. NIL (Previous Year: Rs. NIL). However there were expenses of Rs. 21,543/- (Previous Year: Rs. 16,797/-) as on March 31, 2015. The Company incurred loss of Rs. 21,543/- (Previous Year Loss: Rs. 16,797/-) for the year ended March 31, 2015.



ASSOCIATES:

Discovery Holdings Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2015 stood at Rs. 3,403,926/- (Previous Year: Rs. 3,585,070/-). However there were expenses of Rs. 492,845/- (Previous Year: Rs. 3,847,882/-) as on March 31, 2015. The Company earned profit of Rs. 1,894,451/- (Previous Year Loss: Rs. 544,509/-) for the year ended March 31, 2015.

VMR Promoters Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2015 stood at Rs. NIL (Previous Year: Rs. NIL). However there were expenses of Rs. 32,556/- (Previous Year: Rs. 4,726,970/-) as on March 31, 2015. The Company incurred loss of Rs. 19,056/- (Previous Year: Rs. (3,268,970/-) for the year ended March 31, 2015.

SSP Aviation Limited

The Total Revenue of the Company for the financial year ended 31st March, 2015 stood at Rs. 856,890/- (Previous Year: Rs. 74,010,650/-). However there were expenses of Rs. 385,591/- (Previous Year: Rs. 1,124,735/-) as on March 31, 2015. The Company incurred loss of Rs. 124,768,441/- (Previous Year Profit: Rs. 8,837,403/-) for the year ended March 31, 2015.

MGF Promotions & Events Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2015 stood at Rs. 12,512,518/- (Previous Year: Rs. 10,493,565/-). However there were expenses of Rs. 7,240,471/- (Previous Year: Rs. 1,919,120/-) as on March 31, 2015. The Company earned profit of Rs. 1,772,047/- (Previous Year: Rs. 5,624,444/-) for the year ended March 31, 2015.

MGF Estates Management Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2015 stood at Rs. 142,255,669/- (Previous Year: Rs. 133,873,749/-). However there were expenses of Rs. 147,319,400/- (Previous Year: Rs. 150,535,426/-) as on March 31, 2015. The Company incurred loss of Rs. 9,131,531/- (Previous Year: Rs. 11,514,977/-) for the year ended March 31, 2015.

Salar Promoters Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2015 stood at Rs. NIL (Previous Year: N.A.) and all the expenses have been capitalized under the head "Inventory" during the year.

North Delhi Metro Mall Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2015 stood at Rs. 8,871,374/- (Previous Year: Rs. 8,177,357/-). However there were expenses of Rs. 111,355,250/- (Previous Year: Rs.



134,685,760/-) as on March 31, 2015. All the expenses were capitalized under the head "Capital Work in Progress".

MGF Retail Services Private Limited

JOINT VENTURE COMPANIES:

Avian Estates Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2015 stood at Rs. NIL (Previous Year: Rs. NIL). However there were expenses of Rs. 37,717/- (Previous Year: Rs. 33,324/-) as on March 31, 2015. The Company incurred loss of Rs. 37,717/- (Previous Year Loss: Rs. 353,324/-) for the year ended March 31, 2015.

Cards Services India Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2015 stood at Rs. 41,096,360/- (Previous Year: Rs. 11,215,160/-). However there were expenses of Rs. 18,504,443/- (Previous Year: Rs. 107,903/-) as on March 31, 2015. The Company earned profit of Rs. 15,491,917/- (Previous Year: Rs. 8,707,257/-) for the year ended March 31, 2015.

Motive Constructions Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2015 stood at Rs. 12,877/- (Previous Year: Rs. 12,035/-) Also, all the expenses have been capitalized under the head "Pre-operative Expenses Account/Other Current Assets" during the year.

Pushpak Promoters Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2015 stood at Rs. NIL (Previous Year: Rs. NIL). Further, the total expenses stood at Rs. NIL (Previous Year: Rs. NIL) as on March 31, 2015. The Company neither earned profit nor incurred loss (Previous Year: neither profit nor loss) for the year ended March 31, 2015.

Sahayog Buildtech Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2015 stood at Rs. NIL (Previous Year: Rs. NIL). However there were expenses of Rs. 48,925/- (Previous Year: Rs. 29,893/-) as on March 31, 2015. The Company incurred loss of Rs. 48,925/- (Previous Year Loss: Rs. 29,893/-) for the year ended March 31, 2015.

Yashasvi Buildtech Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2015 stood at Rs. NIL (Previous Year: Rs. NIL). However there were expenses of Rs. 55,419/- (Previous Year: Rs. 12,985/-) as on March 31, 2015. The Company incurred loss of Rs. 55,419/- (Previous Year Loss: Rs. 12,985/-) for the year ended March 31, 2015.



Shailvi Estates Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2015 stood at Rs. NIL (Previous Year: Rs. NIL) and all the expenses have been capitalized under the head "Inventory" during the year.

Sojanya Promoters Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2015 stood at Rs. NIL (Previous Year: Rs. NIL). However the total expenses stood at Rs. 58,161/- (Previous Year: Rs. 13,042/-) as on March 31, 2015. The Company incurred loss of 58,161/- (Previous Year Loss: Rs. 13,042/-) for the year ended March 31, 2015.

Ansal Properties and Infrastructure Limited

The Company had entered into a joint venture with M/s Ansal Properties and Infrastructure Limited during the year, the closing balance being Rs. 25,361,928.25/-.

8. Deposits

As on 31st March 2015, the Company has no fixed deposits.

9. Extract of Annual Report

The extract of the annual return for the financial year 2014-15 in Form No. MGT-9 is annexed herein with the Director's Report as Annexure A.

10. Auditors

Statutory Auditors

As required by the provisions of Section 139 of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, the appointment of M/s M.L. Mutneja & Co., Chartered Accountants (Registration No. 001446N) is to be ratified, as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2016-17 on such remuneration as may be mutually decided by the Board of Directors.

Therefore, your Directors propose to ratify their Appointment for the Financial Year 2015-16.

11. AUDITORS REPORT:

There is no qualification, reservation or adverse remark or disclaimer made by the auditor in their 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.



12. Cost Audit

As per the provisions of Section 148 of the Companies Act, 2013 and its rules thereof, the Board of Directors of the Company appoints Cost Accountants Firm for auditing the cost accounts of the Company for the financial year 2015-16.

13. Audit Committee

In pursuance of the provisions of Section 177 of the Companies Act, 2013, read with rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board has constituted an Audit Committee which comprises of Mr. Arun Mitter (Chairman), Mr. Rakshit Jain and Mr. Shravan Gupta as other members of the Committee. The Board accepts all the recommendations made by the Audit Committee.

14. Directors and Key Managerial Personnel

During the year under review, 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.

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

Ms. Nupur Jain was appointed as the Assistant Company Secretary of the Company, w.e.f. 23rd June, 2014. The Board recommends take note of the same.

15. Key Managerial Personnel

During the year under review, the Company has designated following persons as Key Managerial Personnel:

S. No.	Name of the Person	Designation
1.	Mrs. Shilpa Gupta	Whole-Time Director
2.	Ms. Nupur Jain	Assistant Company Secretary

16. Number of Board Meetings

The Board of Directors duly met 24 (Twenty Four) times respectively on 22.04.2014, 12.05.2014, 13.05.2014, 22.05.2014, 04.06.2014, 23.06.2014, 23.06.2014, 03.07.2014, 07.07.2014, 16.07.2014, 06.08.2014, 19.08.2014, 21.08.2014, 27.08.2014, 01.09.2014, 23.09.2014, 07.11.2014, 25.11.2014, 12.12.2014, 18.12.2014, 09.02.2015, 23.02.2015, 12.03.2015 & 19.03.2015 in respect of which meetings proper notices were given and the proceedings were properly recorded in the Minutes Book maintained for the purpose.



17. Significant and material orders passed by the Regulators or Courts

There are no significant and material orders passed by the Regulators/ Courts that would impact the going concern status of the Company and its future operations.

18. Directors Responsibility Statement

To the best of our Knowledge and based on the representation received from the Management, your Directors make the following statements in terms of Section 134(3) (C) of the Companies Act, 2013:

- a. That in the preparation of the annual accounts for the year ended 31st March 2015, the applicable accounting standards have been followed and there are no material departures from the same;
- b. That the directors had 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 ending 31st March, 2015 and of the profit and loss of the company for the year ended on that date;
- c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. The directors had prepared the annual accounts on a going concern basis; and
- e. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. Board Evaluation

In pursuance of the provisions of the Companies Act, 2013, the Board has carried out an annual evaluation of its own performance.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the directors being evaluated. The performance evaluation of the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the entire evaluation process.

20. Material changes and commitment if any affecting the financial position of the company occurred between the end of the Financial Year to which this Financial Statement relate and the date of the report

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and on the date of this report.



21. Related Party Transactions

All the transactions entered with related parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus disclosure in Form AOC-2 is not required. Further there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel.

Details of related party transactions pursuant to in Section 188 of the Companies Act, 2013 are set out in Note No. 13.26 of Notes to the Accounts as 'Related Party Disclosures'.

22. Particulars of loans, guarantees or investments by Company

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

23. Declaration of Independent Directors

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013 and the rules thereof.

24. Statement Concerning Development And Implementation of Risk Management Policy of The Company

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

25. Details of policy developed and implemented by the Company on its Corporate Social Responsibility Initiatives

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable to the Company.

26. Nomination and Remuneration Committee

In pursuance of the provisions of Section 178 of the Companies Act, 2013, read with rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board has constituted the Nomination and Remuneration Committee which comprises of Mr. Shravan Gupta (Chairman), Mr. Rakshit Jain, Mr. Arun Mitter and Mrs. Shilpa Gupta as other members of the Committee.

The Board of Directors of the Company has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel of the Company. This policy also lays down the criteria for selection and appointment of Board Members.

27. Conservation of energy, technology absorption

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



28. 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, 2015	As on 31 st March, 2014
Purchase of Material	0	0
Expenses on Foreign Travel	Rs. 3,177,000/-	Rs. 28,56,040/-

29. Acknowledgment

Yours Directors would like to express their thanks for the cooperation, 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 from the shareholders.

Place: New Delhi
Date: 01.09.2015

FOR AND ON BEHALF OF THE BOARD

ARUN MITTER
CHAIRMAN
DIN: 00022941

Address: C-29, May Fair Garden,
New Delhi-110016

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- U74899DL1996PLC081965
- ii) Registration Date: 16.09.1996
- iii) Name of the Company: M G F DEVELOPMENTS LIMITED
- iv) Category / Sub-Category of the Company: Public Company Having Share Capital
- v) Address of the Registered office and contact details: 4/17-B, MGF House, Asaf Ali Road, New Delhi-110002, Phone No: 011-42322333 and E-Mail:tax@mgfindia.com
- vi) Whether listed company Yes / No: No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Construction of buildings	4520	46.06%
2	Rental and leasing of motor vehicles, machinery, equipment, capital goods, etc. activities		31.71%
3	Housekeeping & maintenance service		22%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Kayo Developers Private Limited C-59, Teacher Colony, Timarpur, Delhi-110054	U45400DL2007PTC170833	Subsidiary	100	Sec 2 - (87) of Companies Act, 2013
2.	Samishti Real Estate Private Limited 4-17B, Asaf Ali Road, New Delhi-110002	U45400DL2014PTC269821	Subsidiary	100	Sec 2 - (87) of Companies Act, 2013
3.	Crimson Holdings Private Limited 17-B, MGF HOUSE, ASAF ALI ROAD, New Delhi-110002	U70100DL2010PTC204903	Subsidiary	75	Sec 2 - (87) of Companies Act, 2013
4.	Discovery Holdings Private Limited MGF HOUSE 17-B, ASAF ALI ROAD, New Delhi-	U67110DL1998PTC093629	Associate	49.85	Sec 2-(6) of Companies Act, 2013

	110002				
5	Salar Promoters Private Limited 4-17B, Asaf Ali Road, New Delhi-110002	U45400DL2014PTC270001	Associate	50	Sec 2-(6) of Companies Act, 2013
6	VMR Promoters Private Limited 4-17B, MGF HOUSE, ASAF ALI ROAD, NEW DELHI-110002	U70109DL2006PTC152110	Associate	25	Sec 2-(6) of Companies Act, 2013
7	North Delhi Metro Mall Private Limited 4/17-B, MGF House, Asaf Ali Road, New Delhi-110002	U74999DL2003PTC123419	Associate	28	Sec 2-(6) of Companies Act, 2013
8	MGF Retail Services Private Limited MGF House, 17-B, Asaf Ali Road NEW DELHI-2	U51909DL2007PTC161615	Associate	35	Sec 2-(6) of Companies Act, 2013
9	SSP Aviation Limited MGF HOUSE, 17-B, ASAF ALI ROAD, NEW DELHI-110002	U45201DL2003PLC118351	Associate	26.02	Sec 2-(6) of Companies Act, 2013
10	MGF Promotions & Events Private Limited 4/17-B, MGF HOUSE, ASAF ALI ROAD, , NEW DELHI-110002	U74999DL2011PTC221030	Associate	50	Sec 2-(6) of Companies Act, 2013
11	MGF Estates Management Private Limited 4/17-B, MGF HOUSE, ASAF ALI ROAD, NEW DELHI-110002	U74140DL2011PTC221910	Associate	50	Sec 2-(6) of Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	4064395	4064395	13.60	-	4064395	4064395	13.60	
b) Central Govt						95	5		
c) State Govt (s)									
d) Bodies Corp.	-	23973390	23973390	80.23	-	23973390	23973390	80.23	
e) Banks / FI						390	90		

capital in excess of Rs 1 lakh c) Others (specify)									
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	1844750	1844750	6.17	-	1844750	1844750	6.17	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	
Grand Total (A+B+C)	-	29882535	29882535	100	-	29882535	29882535	100	

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Mr. Shravan Gupta	100	0.0003	-	4053649	13.57	-	
2	Mr. Rajiv Gupta	5174	0.017	-	5174	0.017	-	
3	Mrs. Shilpa Gupta	4053947	13.57	-	398	0.001	-	
4	Mrs. Arti Gupta	4975	0.017	-	4975	0.017	-	
5	Mr. Arun Mitter	199	0.0006	-	199	0.0006	-	
6	Discovery Estates Pvt Ltd	4051501	13.56	-	4051501	13.56	-	
7	Bahubali Services Ltd	199	0.0006	-	199	0.0006	-	
8	Vishnu Apartment Pvt Ltd	9960845	33.33	-	9960845	33.33	-	
9	SSP Aviation Ltd	9960845	33.33	-	9960845	33.33	-	
	Total	28037785	93.83	-	28037785	93.83	-	

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Shravan Gupta				
	At the beginning of the year	100	0.0003		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	19.08.2014 Increase in shareholding due to transfer of 4053549 equity shares to Mr. Shravan Gupta.			
	At the End of the year	4053649	13.57	4053649	13.57
2.	Mrs. Shilpa Gupta				
	At the beginning of the year	4053947	13.57		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	19.08.2014 Decrease in shareholding due to transfer of 4053549 equity shares to Mr. Shravan Gupta.			
	At the End of the year	398	0.001	398	0.001

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

Sl.		Shareholding at the	Cumulative Shareholding during the
-----	--	---------------------	------------------------------------

No.		beginning of the year		year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Fairbridge Holdings Ltd				
	At the beginning of the year	1844750	6.17	1844750	6.17
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year)	1844750	6.17	1844750	6.17

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Shravan Gupta				
	At the beginning of the year	100	0.0003		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	19/08/2014 Increase in Shareholding due to transfer of 4053549 Equity Shares.			
	At the End of the year	4053649	13.57	4053649	13.57

2.	Mr. Arun Mitter				
	At the beginning of the year	199	0.0006	199	0.0006
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	199	0.0006	199	0.0006
3.	Mrs. Shilpa Gupta				
	At the beginning of the year	4053947	13.57	398	0.0013
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	19/08/2014 Decrease in Shareholding due to transfer of 4053549 Equity Shares.			
	At the End of the year	398	0.0013	398	0.0013
4.	Mr. Rakshit Jain				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	475,548,907.6	740,639,039	-	1,216,187,946.6
Total (i+ii+iii)				
Change in Indebtedness during the financial year <input type="checkbox"/> Addition <input type="checkbox"/> Reduction	188,667,049.44	197,835,669	-	386,502,718.44
Net Change				
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	286,881,858.16	938,474,708	-	1,225,356,566.16
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mrs. Shilpa Gupta (WTD)	Mr. Arun Mitter (MD)	----	----	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	1,800,000	600,000	-	-	2,400,000
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others, please specify	216,000	72,000	-	-	288,000
	Total (A)	2,016,000	672,000	-	-	2,688,000
	Ceiling as per the Act					

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		----	----	----	----	
	3. Independent Directors <input type="checkbox"/> Fee for attending board / committee meetings <input type="checkbox"/> Commission <input type="checkbox"/> Others, please specify					-
	Total (1)					-
	4. Other Non-Executive Directors <input type="checkbox"/> Fee for attending board / committee meetings <input type="checkbox"/> Commission <input type="checkbox"/> Others, please specify					-
	Total (2)					-
	Total (B)=(1+2)					-
	Total Managerial Remuneration					-
	Overall Ceiling as per the Act					

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (Ms. Nupur Jain)	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Incometax Act, 1961	-	191,262	-	191,262
2	Stock Option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission - as % of profit - others, specify...	-	-	-	
5	Others, please specify	-	15,568	-	15,568
	Total	-	206,830	-	206,830

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: N.A.

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHERS OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Vinod
5-10-15

Independent Auditor's Report

**To the Shareholders of
MGF DEVELOPMENTS LIMITED**

Report on the Financial Statements

1. We have audited the accompanying standalone financial statements of MGF Developments Limited ('the Company'), which comprise the balance sheet as at 31 March 2015, 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 given in notes.

Management's Responsibility for the Financial Statements

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

Auditors Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on the test check basis about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial



statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

7. 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 (as per Note No. 33) thereon 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:
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2015;
 - (ii) in the case of the Statement of Profit and Loss of the company for the year ended on that date; and
 - (iii) 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

8. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

9. As required by section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the company's balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account and returns;
- (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



- (e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) the company has adequate internal financial control system in place and the operating effectiveness of such controls. The directors are looking into all such matters personally; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 12(ii) to the financial statements;
- (ii) the Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses; and
- (iii) ^{nil, b.e.} there were no amounts which is required to be transferred to the Investor Education and Protection Fund by the Company.

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



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

Place : New Delhi
Date : 01.09.2015

COMPANIES (AUDITOR'S REPORT) ORDER, 2015

COMPANY: MGF DEVELOPMENTS LIMITED.

(Annexure to Auditor's Report dated 01.09.2015 for the Financial Year 2014-15 under Companies Act,2013)

S.No.	Particulars	Auditor's Remarks (As certified by Directors of the company)
(i)	(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 have been noticed.
(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.



(iii)	(a) whether the company has granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act?	Yes.
	(b) If so, whether receipt of the principal amount and interest are also regular; and	These are interest free deposits with related parties with unspecified terms, as explained in notes to accounts.
	(c) If overdue amount is more than rupees one lakh, whether reasonable steps have been taken by the company for recovery of the principal and interest;	Not Applicable as terms are unspecified.
(iv)	(a) 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.	Yes.
	(b) Whether there is a continuing failure to correct major weaknesses in internal control system?	No such failures reported.
(v)	(a) in case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with?	No.
	(b) If not, the nature of contraventions 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?	Not applicable
(vi)	(a) where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act?	Yes
	(b) whether such accounts and records have been made and maintained?	Yes, under audit by Cost Accountant.
(vii)	(a) is the company regular in	Not regular in many cases.



	<p>depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and</p> <p>(b) 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.</p>	<p>(i) Income Tax : As per note no. 33, para no.12(v). (Provision made)</p> <p>(ii) Ground Rent : Rs 4,35,29,300/-.</p>
	<p>(b) in case dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not constitute a dispute).</p>	<p>(i) Income Tax : As per note no. 33, para no. 12(iv) & 12(v). (Provision not made)</p> <p>(ii) Service Tax : As per note no. 33, para no. 12(vi).</p>
	<p>(c) whether the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.</p>	Not Applicable.
(viii)	<p>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 per cent of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year;</p>	There are no cash losses.
(ix)	<p>whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported;</p>	No.
(x)	<p>whether the company has given any guarantee for loans taken by others from bank or financial institutions, the terms</p>	No.



	and conditions whereof are prejudicial to the interest of the company;	
(xi)	whether term loans were applied for the purpose for which the loans were obtained;	Yes.
(xii)	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.

For M.L. MUTNEJA &
CHARTERED ACCOUNTANTS
FRN No. 001446N

For MGF DEVELOPMENTS LTD.

Sangeeta Jagyasi

SANGEETA JAGYASI
PARTNER
M.No. 501559








M

DIRECTOR

PLACE : NEW DELHI
DATE : 01.09.2015

MGF DEVELOPMENTS LTD.
CIN : U74899DL1996PLC081965
BALANCE SHEET AS AT 31ST MARCH 2015

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	1,062,776,801	1,091,435,499
		1,361,602,151	1,390,260,849
(2) Non- Current Liabilities			
a) Long term borrowings	3	950,292,776	870,174,272
b) Deferred tax liability (net)	4	118,148,531	102,353,848
c) Other Long Term Liabilities	5	808,559,013	849,774,113
d) Long-term provisions	6	2,345,145	2,055,963
		1,879,345,464	1,824,358,196
(3) Current Liabilities			
a) Short term borrowings	7	178,228,807	218,256,209
b) Trade payables	8	282,606,896	185,886,156
c) Other current liabilities	9	1,771,367,599	1,716,988,014
d) Short-term provisions	10	320,544,140	255,871,282
		2,552,747,443	2,377,001,661
Total Equity & Liabilities		5,793,695,057	5,591,620,707
II. ASSETS			
(1) Non-current Assets			
a) Fixed Assets			
i) Tangible Assets	11	13,797,832	24,363,398
ii) Intangible Assets	12	1,158,669	1,869,164
b) Non- current Investment	13	329,820,969	438,598,668
c) Long term loans & advances	14	2,840,744,291	2,775,414,364
d) Other non-current assets	15	5,643,249	6,650,251
	*	3,191,165,011	3,246,895,845
(2) Current Assets			
a) Current investment	16	161,074,026	77,818,465
b) Inventories	17	925,311,970	1,148,427,116
c) Trade receivables	18	255,286,873	212,634,893
d) Cash and cash equivalents	19	153,420,663	79,197,554
e) Short-term loans and advances	20	312,505,793	319,801,173
f) Other current assets	21	794,930,721	506,845,660
		2,602,530,047	2,344,724,861
Total Assets		5,793,695,057	5,591,620,707
Summary of significant accounting policies		33	
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 Membership No. : 501559		 (Shrawan Gupta) Director DIN : 00002707	
		 (Anur Mitter) Director DIN : 00022941	
Place : New Delhi Dated : 1st September, 2015		  (Assistant Company Secretary) M.No. 36044	

MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Statement of Profit and Loss for the Year ended March 31, 2015

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	710,443,930	1,170,629,002
II	Other Income	23	98,957,471	2,681,867
III	III. Total Revenue (I + II)		809,401,401	1,173,310,868
IV	Expenses:			
	Cost of Materials Consumed	24	413,628,935	945,683,901
	Purchase of Stock-in-Trade	25	61,908,558	0
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	102,739,850	(0)
	Employee benefit expense	27	19,555,198	20,390,852
	Financial costs	28	50,562,651	56,410,931
	Depreciation and amortization expense	29	22,836,443	24,076,739
	Other expenses	30	96,305,956	76,718,934
	Total Expenses (IV)		767,537,592	1,123,281,357
V	Profit before exceptional and extraordinary items and tax	(III - IV)	41,863,808	50,029,511
VI	Exceptional Items	31	9,722,846	86,291,871
VII	Profit before extraordinary items and tax	(V - VI)	51,586,654	136,321,382
VIII	Extraordinary Items		0	0
IX	Profit before tax	(VII - VIII)	51,586,654	136,321,382
X	Tax expense:			
	(1) Current tax		15,700,483	42,719,294
	(2) (Excess)/Short provision of tax relating to earlier years		48,750,186	2,120,564
	(4) Deferred tax liability/(Assets)		15,794,683	4,946,551
XI	Profit(Loss) from the period from continuing operations	(IX-X)	(28,658,698)	86,534,973
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)	(28,658,698)	86,534,973
XVI	Earning per equity share:	32		
	(1) Basic		(0.96)	2.90
	(2) Diluted		(0.96)	2.90

Summary of significant accounting policies 33

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
(Sangeeta Jagyasi)
Partner
Membership No. : 501559

Place : New Delhi
Dated : 1st September, 2015



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

Shravan Gupta
(Shravan Gupta)
Director
DIN : 00002707

Arun Mitter
(Arun Mitter)
Director
DIN : 00022941

Assistant Company Secretary
(Assistant Company Secretary)
M.No. 36044

MGF Developments Ltd.
Cash Flow Statement for the year ended March 31, 2015

	As at 31st March, 2015	As at 31st March, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation, and extraordinary item	51,586,654	136,321,382
Adjustment for :		
Depreciation & Amortisation	22,836,443	24,076,739
Loss / (Profit) on sale of fixed assets	(10,433,749)	(96,490)
Loss / (Profit) on sale of investments	(600,000)	-
Interest Expense	50,562,651	56,410,931
Interest Income	(10,440,031)	(2,586,524)
Profit from Partnership	-	-
Provision for employee leave encashment	820,810	578,301
Leave Salary Paid	(578,301)	(346,710)
Provision for Gratuity	289,182	291,247
Operating profit before working capital changes	104,043,660	214,648,877
Adjustments for :		
(Increase)/Decrease in Inventories	206,820,702	434,958,306
(Increase)/Decrease in Trade and other Receivables	(387,764,587)	(344,130,001)
Increase/(Decrease) in Trade and Other Payables	109,885,225	(786,588,855)
Increase/(Decrease) in Provisions	64,430,349	44,820,643
Cash generated from operations	(6,628,311)	(650,939,907)
Less - Direct taxes paid	64,450,669	44,839,858
Net Cash From Operating Activities	32,964,680	(481,130,888)
B. CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES		
Sale of fixed assets (net)	15,350,000	240,000
(Purchase) of fixed assets (net)	(182,190)	(133,105)
(Purchase) of investments (net)	26,122,138	202,839,528
Profit from partnership firm	-	-
Interest Income	10,440,031	2,586,524
Net Cash From Investing Activities	51,729,979	205,532,947
C. CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES		
Proceeds/(Repayments) form/of Borrowings (Net)	40,091,101	378,287,717
Interest Paid	(50,562,651)	(56,410,931)
Net Cash From Financing Activities	(10,471,550)	321,876,786
Net Increase/(decrease) In Cash and Cash Equivalents	74,223,109	46,278,845
Cash and Cash Equivalents as at April 1,	79,197,554	32,918,710
Cash and Cash Equivalents as at March 31,	153,420,663	79,197,554

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 Jajyasi)
Partner
Membership No. : 501559



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


(Shrayan Gupta)
Director
DIN : 00002707


(Arun Mitter)
Director
DIN : 00022941

Place : New Delhi
Dated : 1st September, 2015




(Assistant Company Secretary)
M.No. 36044

MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the Period ended March 31, 2015**1. Share Capital**

Particulars	As at 31-Mar-15	As at March 31, 2014
Authorized shares 300,00,000 (Previous Year 300,00,000) Equity Shares of Rs 10 each	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, 2015

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, 2015	As at March 31, 2014
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, 2015	As at March 31, 2014
NIL		



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the Period ended March 31, 2015**d) Details of shareholders holding more than 5% shares in the Company***

Particulars	% Share-holding	No of Shares as at March 31, 2015	% Share-holding	No of Shares as at March 31, 2014
Shravan Gupta	13.57%	4,053,649	0.00	0.00
Shilpa Gupta	-	-	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	33.34%	9,960,845	33.34%	9,960,845
SSP Aviation Ltd.	33.34%	9,960,845	33.34%	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, 2015	As at March 31, 2014
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, 2015**2. Reserve & surplus**

Particulars	As at March 31, 2015	As at March 31, 2014
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	895,403,304.33	808,868,330.91
Add: profit / (loss) for the year	(28,658,698.09)	86,534,973.42
Net surplus in the statement of profit & loss	866,744,606.24	895,403,304.33
Total reserve & surplus	1,062,776,801.24	1,091,435,499.33

3. Long Term Borrowings

Particulars	As at March 31, 2015	As at March 31, 2014
Secured		
Financial Institutions	286,806,015.60	474,923,075.40
Vehicle Loan from Bank	75,842.56	625,832.20
Unsecured Loans from Related Parties		
Directors	4,240,000.00	4,240,000.00
Inter Corporate Deposit (Bearing Interest)		
Inter Corporate Deposit (Interest Free)	51,055,901.00	111,792,830.00
Unsecured Loans from Others		
Other Inter Corporate Deposit (Interest Free)	704,950,000.00	406,350,000.00
	1,047,127,759.16	997,931,737.60
Less:- Amount disclosed under Other Current Liability as current liability (repayable within 12 months)		
Current maturities of Loans from Financial Institution	(96,759,141.00)	(127,242,767.32)
Current maturities of Vehicle loans	(75,842.56)	(514,697.96)
	(96,834,983.56)	(127,757,465.28)
Total	950,292,775.60	870,174,272.32



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the Period ended March 31, 2015**7. Short Term Borrowings**

Particulars	As at March 31, 2015	As at March 31, 2014
Unsecured		
Bank Overdraft		
Bank of India O.D.A/c - 600127110000003	100,947,672.00	100,956,209.00
	<u>100,947,672.00</u>	<u>100,956,209.00</u>
Unsecured Loans from Related Parties		
Directors	-	-
Inter Corporate Deposit (Bearing Interest)	77,281,135.00	76,300,000.00
Inter Corporate Deposit (Interest Free)	-	-
	<u>77,281,135.00</u>	<u>76,300,000.00</u>
Unsecured Loans from Others		
Other Inter Corporate Deposit (Interest Free)	-	41,000,000.00
Total	178,228,807.00	218,256,209.00

8. Trade Payable

Particulars	As at March 31, 2015	As at March 31, 2014
Trade payables		
- micro and small enterprises	-	-
- others		
Trade Payable for Services	107,539,918.00	13,038,871.00
Trade Payable Project	175,066,978.31	172,847,285.31
	<u>282,606,896.31</u>	<u>185,886,156.31</u>
Total trade payables	282,606,896.31	185,886,156.31



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the Period ended March 31, 2015**9. Other Current Liabilities**

Particulars	As at March 31, 2015	As at March 31, 2014
Current maturities of Loans from Financial Institution	96,759,141.00	127,242,767.32
Current maturities of Vehicle loans	75,842.56	514,697.96
Booking Advances from Customers	454,571,559.95	676,198,353.05
Book Overdebts	7,920,374.05	7,426,180.56
Due to Joint Ventures	784,056,752.25	736,367,183.39
Trade Payable for Capital Goods	13,609,385.00	13,609,385.00
Other Payable	402,565,760.00	134,531,286.00
Duties & Taxes		
Income Tax	5,858,269.00	1,317,175.00
Service Tax	2,699,139.00	12,942,911.00
WCT	2,662,634.00	6,563,134.00
Advances from Customers	-	274,941.00
Advances from Tenants	588,742.54	-
Total Current Liabilities	1,771,367,599.35	1,716,988,014.28

10. Short Term Provisions

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for taxation	319,714,973.87	255,264,304.87
Provision for wealth tax	8,356.00	28,676.00
Provision for Leave Salary	820,810.00	578,301.00
Total Short Term Provision	320,544,139.87	255,871,281.87



Note 15 : Details of investments for the year ended 31st March 2015

UNITS

Particulars	Face Value	As on	Additions	Deductions	As on	31.03.2015	31.03.2014
		01- April-14	during the year	during the year	31- Mar-15		
		No(s)	No(s)	No(s)	No(s)		Rs.
A. NON CURRENT INVESTMENTS							
a) Long term trade investments (at cost), in companies under same management (Unquoted)							
Investment in Equity Instruments							
(I) Subsidiaries							
Crescen Holdings Pvt Ltd	10.00	30,000	-	-	30,000	300,000	300,000
Kayo Developers Pvt Ltd	10.00	10,000	-	-	10,000	100,500	100,500
Sansathi Real Estate Pvt Ltd	10.00	-	10,000.0	-	10,000	100,125	-
(II) Associates							
Discovery Estates Private Limited	10.00	500	-	-	500	5,000	5,000
Discovery Holdings Private Limited	10.00	49,850	-	-	49,850	498,500	498,500
Vishnu Apartments Private Limited	10.00	365,000	-	-	365,000	3,750,175	3,750,175
EMAAR MGF Land Limited	10.00	9,000	362,318	-	371,318	18,892,536	90,000
Bonus		63,000	-	-	63,000	-	-
Hamplo'n International Private Limited	10.00	2,000	-	-	2,000	20,000	20,000
Shanti Apparels Private Limited	10.00	440	-	-	440	12,737,565	12,737,565
VMR Promoters Private Limited	10.00	1,250,000	-	-	1,250,000	12,500,000	12,500,000
Anjan Life Style Private Limited	10.00	640,000	-	-	640,000	6,400,000	6,400,000
EMAAR MGF Construction Private Limited	10.00	2,500	-	2,500	0	-	25,000
EMAAR MGF Education Private Limited	10.00	2,040,000	-	-	2,040,000	20,400,000	20,400,000
MGF Holdings Private Limited	10.00	3,500	-	-	3,500	35,000	35,000
MGF Retail Services Private Limited	10.00	3,500	-	-	3,500	35,000	35,000
SP Aviation Limited	10.00	520,300	-	-	520,300	5,213,505	5,213,505
MGF Promotions & Events Pvt Ltd	10.00	50,000	-	-	50,000	500,000	500,000
MGF Estates Management Pvt Ltd	10.00	50,000	-	-	50,000	500,000	500,000
Solar Promoters Pvt Ltd	10.00	-	5,000.0	-	5,000	50,000	-
(III) Joint Ventures							
North Delhi Metro Mall Private Limited (Formerly known as MGF Metro Mall Pvt. Ltd.)	10.00	29,952,000	9,648,000.0	12,450,206	17,149,794	171,738,140	299,520,000
Other Investments							
In Paintings and Sculptures						76,005,923	75,968,423
Grand Total		35,041,590	10,025,318	22,452,706	22,614,202	329,820,969	438,588,688



MGF DEVELOPMENTS LIMITED

Note 17: Details of Inventories for the year ended 31st March 2015

Particulars	As at 31st March, 2015	As at 31st March, 2014
1 Work-in-progress (As taken Valued and Certified by the Management)		
2a) Construction Work in Progress		
Opening Balance	446,736,286.81	881,694,302.72
Add: Proportionate Cost of work done during the year	309,548,083.00	510,725,585.00
	756,284,369.81	1,392,430,187.81
Less: Cost of construction charged to Profit & Loss Account	413,628,935.00	945,683,901.00
Less: Cost of construction transferred	-	-
Closing Balance	342,655,434.81	446,736,286.81
1b) Land at Sherki Dasia	33,967,664.00	33,967,664.00
Work-in-progress Rs.	376,623,098.81	480,703,950.81
2 Finished Stock (As taken Valued and Certified by the Management)		
2a) Closing Inventory of Bull-up shops	496,708,464.00	496,708,464.00
Add: Purchase of Area in Metropolitan Mall - Gurgaon from Columbia Holdings Pvt Ltd	61,908,558.00	-
	558,617,022.00	496,708,464.00
Less: Cost of Sale Charged to P&L (for Saket Units)	116,868,567.00	-
Less: Accumulated Depreciation	70,073,849.92	365,674,405.08
	368,674,605.08	79,405,108.06
411,805,355.94		
2b) Investment Project - Wazirpur		
Opening Balance	10,397,785.00	14,277,777.00
Add: Additions additions during the year	-	-
	10,397,785.00	14,277,777.00
Less: Amortisation	3,879,992.00	3,879,992.00
	6,517,793.00	10,397,785.00
2c) Investment Project - Gated		
Opening Balance	214,366,552.00	214,366,552.00
Add: Additions additions during the year	-	-
	214,366,552.00	214,366,552.00
Less: Accumulated Amortisation	37,870,078.75	176,496,473.25
	176,496,473.25	38,344,528.13
181,022,023.85		
2d) Commercial Rights		
Opening Balance	65,000,000.00	65,000,000.00
Less: Charged to Profit & Loss A/c	(65,000,000.00)	-
	0.00	65,000,000.00
Finished Stock Rs.	348,688,871.33	667,723,164.79
Grand Total	725,311,970.14	1,148,427,115.60

* 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, 2015**20. Short Term Loans & advances**

Particulars	As at March 31, 2015	As at March 31, 2014
Unsecured, considered good		
Loan & Advance to Related Parties		
Booking Advance - Related Party	263,000,000.00	263,000,000.00
Loan & Advance to Others		
Due From Joint Venture Partners	-	-
Business Advances	49,180,000.00	51,741,000.00
Advances for Investment	-	4,000,000.00
Advances To Suppliers	219,793.00	315,173.00
Advances Given to Staff	106,000.00	745,000.00
	312,505,793.00	319,801,173.00
Total	312,505,793.00	319,801,173.00

21. Other Current Assets

Particulars	As at March 31, 2015	As at March 31, 2014
Income Tax Paid	297,496,068.99	241,348,125.99
Interest Receivable	1,486,906.52	913,485.29
Service Tax Input Credit	9,958,777.00	15,725,629.00
Prepaid Expenses	316,568.00	911,984.00
Other Receivables	485,672,400.34	247,946,435.34
Total other current assets	794,930,720.85	506,845,659.62



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2015**22. Revenue from operations**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
a) Sales	327,239,361.00	927,519,158.00
b) Rent	225,253,166.50	217,100,489.50
c) Other Operating Revenue:-		
Electricity & Water Receipts	9,435,183.00	13,614,471.00
Land filling and Leveling Charges	132,600,000.00	-
Maintenance Income	7,561,947.50	7,106,133.00
Transfer Charges	8,354,272.00	5,288,750.00
	157,951,402.50	26,009,354.00
Revenue from operations (net)	710,443,930.00	1,170,629,001.50

23. Other Income

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest Income	10,440,030.70	2,586,524.09
Miscellaneous Income	88,517,439.80	95,342.70
Total Other Income	98,957,470.50	2,681,866.79

24. Cost of Materials Consumed

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Cost of Material Consumed	413,628,935.00	945,683,901.00
Total Cost of material Consumed	413,628,935.00	945,683,901.00

25. Purchase of Stock-in-Trade

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Purchase of Stock-in-Trade	61,908,558.00	-
Total Purchase of Stock-in-Trade	61,908,558.00	-



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2015**26. (Increase) / Decrease in Inventories**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Closing stock		
- Finished goods	548,688,871.33	667,723,164.79
- Depreciation for the year	16,294,443.46	19,067,822.23
	564,983,314.79	686,790,987.02
Opening stock		
- Finished goods	667,723,164.79	686,790,987.02
	667,723,164.79	686,790,987.02
Total (Increase) / Decrease in inventory	102,739,850.00	0.00

27. Employee benefit expenses

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Salary & Other Allowances	18,033,045.00	18,904,988.00
Contribution to PF	1,338,860.00	1,198,793.00
Staff Welfare Expenses	183,293.00	287,071.00
Total	19,555,198.00	20,390,852.00

28. Finance cost

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest Charges on Term Loans	30,593,851.00	38,648,223.00
Interest Charges OD	12,415,949.00	12,015,448.00
Interest Charges on ICD	6,935,720.36	5,502,805.29
Interest Charges on TOD	-	-
Bank Charges	617,130.93	244,454.78
Total	50,562,651.29	56,410,931.07



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2015**29. Depreciation & Amortisation**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Depreciation	14,430,900.87	15,555,156.87
Amortisation	8,405,542.60	8,521,582.36
Total	22,836,443.47	24,076,739.23

30. Other Expenses

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Power & Fuel	15,545,252.00	20,211,220.50
Rent	18,029,678.00	12,750,128.00
Repair & Maintenance Building	1,681,728.00	423,632.50
Repair & Maintenance Plant & Machinery	1,160,586.00	1,451,053.00
Insurance Charges	162,700.50	209,438.50
Rates & Taxes	2,475,719.00	6,889,187.00
Miscellaneous Expenses	47,640,373.34	24,833,612.57
Legal & Professional Charges	9,609,919.50	9,950,661.50
Total other expenses	96,305,956.34	76,718,933.57

31. Exceptional Items

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Profit on Sale of Investments	600,000.00	-
Profit on Sale of Assets	10,433,748.87	96,490.00
Revenue from Operation	(18,376,168.36)	490,107,092.00
Cost of Material Consumed	17,065,265.00	(401,479,375.00)
Amount W/off	-	(2,432,336.00)
Total Other Income	9,722,845.51	86,291,871.00

32. Earning per share (EPS)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Net profit/(loss) for calculation of basic /diluted EPS	(28,658,698.09)	86,534,973.42
Weighted average number of equity shares in calculating basic & diluted EPS	29,882,535	29,882,535
Basic / diluted EPS (in Rs.)	(0.96)	2.90



NOTE 33 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FOR THE YEARENDED 31.03.2015

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),the provisions of the Companies Act, 2013, including Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

a) **Fixed assets** are stated at cost, less accumulated depreciation. Costs include all expenses incurred to bring the assets to its present location and condition.

b) **Depreciation** on fixed assets has been provided on WDV using the rates arrived at based on the estimated useful lives and in the manner prescribed by specified in Schedule II of Companies Act 2013. The carrying amount of the asset is charged to the statement of profit and loss, where the remaining useful life of the asset is nil, w.e.f this financial year. There have been change in rates of depreciation due to change in law.

c) **Impairment of Assets:** The Carrying amounts of assets are reviewed at each Balance Sheet date to ascertain impairment based on internal / external factors. An impairment loss is recognized when the carrying amount of an asset exceeds its realizable value. The company has not made any such provision as directors are of the opinion that the overall market value of the assets is higher than their book value.

4. Inventories

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 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.
- 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) Inventory of Commercial Rights of Rs 6.50 Crores has been written off during the year, as the directors do not expect its any resale value as on 31st March, 2015. These could not be sold in the market inspite of best efforts by the company in F.Y. 2014-15. It has been charged to the statement of Profit & Loss under the head 'Change in inventories'.
- vi) The company has exchanged its inventory with the inventory of a related company at a price of Rs. 6.19 Crores as per agreement to sell and exchange letter.
- vii) It is not practicable to ascertain their market value / circle rates. However, their estimated market value of the inventories has never been lower than the cost so far except in cases of sales to related parties.
- viii) 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.
- ix) 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.

5. 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.



[Handwritten signature]



- 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) Net Sales of Rs. 6.59 Crore (P.Y. 55.49 Crore) is deemed sale of properties as per AS-7, on which revenue is recognized.

The above Net Sales is after reversal at Sales value of Rs 15.83 Crores shown as sale in last financial year has been reversed in this year and reduced from sales of the year on account of sale of units cancelled in this year. The gross sale was Rs. 22.42 Crores on PCM basis during the year.

- (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 except in respect of one commercial complexes.
- a) Its maintenance rights & obligations have been given to another company, M/s MGF Estates Management P. Ltd (Related Party).
- b) Its events management rights and obligations have been given to another company i.e. M/s MGF Promotion & Events Pvt. 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. This is being treated as 'Joint Venture' by the company with M/s MGF Estates Management Pvt. Ltd in Balance sheet, shown as ICD.
- (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.
- (viii) Interest on FDR has been recognized as per the terms of FDR.
- (ix) In respect of agriculture land filling and leveling works revenue and expenditure has been recognised on the basis of bills made and received of such work, though the works are of continuing nature and pending partly as per agreements.



6. 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.

Purchase value of Rs 8.77 crores shown as purchase in the last financial year has been reversed in this year and reduced from purchases in this year on account of purchase of units cancelled in this year. The gross purchase was Rs. 16.54 crores on PCM basis during the year.

7. Investments

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

b. Current investment includes interest free Inter-corporate deposits with companies. There are no formal agreements for the same.

c. Non-current investment includes (1) Unquoted shares of subsidiary companies, (2) Unquoted Shares of related companies and (3) Paintings.

d. 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.

8. Provision for Current Tax and Deferred tax

- **Current 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.

Excess / Short Provision of tax relating to earlier years : Income Tax Provision Rs. 4.84 Crores has been made for A.Y. 2011-12 for the interest payable on account delay in filing Income Tax Return and Rs. 3.40 lacs has been made for A.Y. 2003-14 against demand U/s 143(1) of income tax act, 1961 plus interest.

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.



[Handwritten signature]



9. 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 loan as detailed in note no. 13.15 (iv)

10. 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 Employee Benefits

Provision for Leave Encashment has been made 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.

11. 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 is the number of equity shares outstanding during the period.



A handwritten signature in black ink, appearing to be a stylized name.



12. Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions are recognized in the accounts in respect of present probable obligations, the amount of which can be readily estimated. Contingent liabilities are disclosed in respect of possible obligations, the amount of which can be reliably estimated. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date by the directors. Provision for expenditure relating to voluntary retirement is made when the employee accepts the offer of early retirement.

(ii) In case of legal cases filed by / against the company, as specified under rule 11(a) of the companies (Audit and Auditor) Rules., the company is hopeful of full relief. However, it is not practicable for the company to ascertain the details of pending litigations liabilities that may arise on this account. Details of pending litigations as on 31.03.2015 are enclosed.

(iii) Security/Performance Guarantees provided to various Government authorities/others Rs. 399.50 lacs (Previous year Rs. 350 lacs)

(iv) The Contingent liability of Rs.1.55 lac in case of Income Tax Demand raised by Income tax Department for which the company wants to file application for rectification of demand and its cancellation. for which appeal is Pending with higher authorities. (Previous year 81.21 lacs)

(v) Other Income Tax Due as on 31.03.2015

A.Y.	Outstanding demand amount Rs. (As per Income Tax Order) (Subject to Interest)	U/S / Dated	Appeal Filed with	Provision Made in the Books	Not Provided in the Books
2003-04	143,316	143(1) dt:29.12.2003		339,659	-
2010-11	2,055,570	154 dt:22.03.2012	Appeal not filed	-	2,055,570
2011-12	40,008,700	1431a dt:07.03.2013		48,410,527	-
2012-13	142,630	1431a dt:19.08.2014	Application of Rectification U/s 154 to be filed	-	142,630
	42,350,216			48,750,186	2,198,200

(vi) 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).

(vii) 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.

(viii) 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.

(ix) The company has not given any guarantee in favour of any third party.



[Handwritten signature]



(x) Commitment against purchase of properties is Rs. 53.22 Crores. (Related Party) (P.Y. Rs. 50 Crores). The company has tried to reduce the sale value by Rs. 1.44 Cr. but it could not materialize. It is to related parties.

(xi) **Jalandhar Project :**

a) The company had conditionally transferred its under construction projects at Jalandhar in F.Y. 2007-08.

b) This complex is still under construction and there is no change in the position till date, as reported in earlier years accounts/reports and is being shown under the head Secured Deposit.

xii) **Amritsar project :**

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

13. General Notes on Accounts

13.1 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.

13.2 The company is not a small and medium sized company under the meaning of section 2(85) of the Companies Act, 2013. Cash Flow Statement as required u/s 2(40) of the Companies Act, 2013 is enclosed as part of financial statements.

13.3 (a) that in the preparation of the annual accounts for the financial year ended 31st March 2015 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 1956/2013 and rules there under 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 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, 1956/2013 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) that the directors have prepared the annual accounts on a 'going concern basis'.



[Handwritten signature]



(f) there are adequate internal controls and internal check systems in the company to prevent any mis-happenings though there was no internal auditor. The directors are looking into all such matters personally.

(g) The current assets will fetch the value atleast as shown in the balance sheet, if realized in the ordinary course of business by completing the project.

(h) that the company has complied with all the rules, regulations, laws of land and contracts 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.

(i) All the fixed assets, inventories, investments 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.

(j) Original Title deeds/agreements/conveyances etc of the properties/inventories & investment in shares of the company are with the directors / their authorised representatives, but not verified by the auditors.

(k) All the related parties transactions have been disclosed separately.

The auditors have acted upon the above matters accordingly as it is not practicable for them to look into these matters otherwise due to technical, legal and other limitations.

- 13.4 The Company has appointed a firm of Company Secretaries to look into its company law matters and it has been confirmed by them vide their certificate dt. 25/05/2015 that the company law matters & the company are in order as per law. There have been some lapses in filing statutory forms with Government departments, which are being complied with soon.
- 13.5 The company has not purchased its own shares, as specified u/s 69(1) of the Companies Act, 2013 during the year.
- 13.6 The company has not contributed any amount to any political party during the year during the year, as specified u/s 182(3) of the Companies Act, 2013. Further, the company has not contributed to National Defence Fund or similar fund notified for this purpose during the year, as specified u/s 183(2) of the Companies Act, 2013.
- 13.7 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 31-03-2015 & 31.03.2014 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 amount due to any small scale Industrial unit.



(Handwritten signature)



- 13.8 a) 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 accounts.
b) Some of the trade receivables (outstanding for a period less than 6 months) are secured against security deposits received from tenants. There is no other security.
- 13.9 There are no payments, relating to any expenditure covered under Section 40A, exceeding Rs 20,000 (in case of transporters Rs 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 Rs 20,000 (in case of transporters Rs 35,000) have been made otherwise than by an account payee cheques or bank draft.
- 13.10 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 there under. (Not verified by auditors as issued / received cheques are with banks).
- 13.11 The Company did not accept any public deposit during the year under the provisions of section 73 to 76 of the Companies Act, 2013. However there are interest free inter corporate deposits from companies (related parties) and from directors.
- 13.12 No personal expenses of any director of the company have been charged to the revenue account of the company.
- 13.13 There have been no major events subsequent to the date of balance sheet affecting the financial position of the Company till date.
- 13.14 (a) Short Term Borrowings includes inter-corporate deposit from a related company and are repayable on demand or on short notice of about 3 months. There are no formal agreement for such borrowings.
(b) Long Term Borrowings includes inter-corporate deposits from companies and a director. There are no formal agreement for such borrowings.
- 13.15 **(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 :-
- Agreed Rent receivables from various lessees of the company.
 - 25% Receivables from a project under progress / construction.
 - Personal Guarantee of Sh. Shravan Gupta, Director of the company (related party).
 - 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 :-

- This loan of Rs.30 cr. was sanctioned and disbursed by HDFC Ltd vide agreement dt. 31.01.2008.
 - The loan agreement is in name of this company.
 - 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.
 - It is against discounting of rent receivable from various lessees of the commercial complexes of this company.
 - 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 :-
- Assignments of rentals from various parties of various commercial complexes.
 - Extension of First Equitable Mortgage of part of a commercial property of M/s Discovery Estates Private Limited (related party).
 - Extension of First Equitable Mortgage part of a commercial party partly owned by MGF Developments Limited and Columbia Holdings Private Limited (related Party).
 - Extension of First Equitable Mortgage part of a commercial property partly owned by MGF Developments Limited.
 - Personal Guarantee of Sh. Siddharth Gupta, Ex-Director of the company (related party).
 - 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 :

- This loan of Rs. 6.25 cr. was sanctioned and disbursed by HDFC Ltd. Vide agreement dt. 10.01.2013.
- 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.
- It is against discounting of rent receivable from various lessees of the commercial complexes of this company.



[Handwritten signature]



- 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 Vilas" 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



(Handwritten signature)



At the end of July 31, 2016	35,000,000
At the end of October 31, 2016	Nil

Actual Balance outstanding as on 31st March 2015 is Rs. 13,63,51,219.60

5) **The loan is secured against:**

- a. 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 Vilas" 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.
- b. First charge by way of Assignment of the entire sale proceeds / receivables accruing from the properties mentioned in pt 5(i) above.
- c. 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 Vilas" located at sector 25, Akashneem Marg, Village Sarhaul, Tehsil and District Gurgaon, Haryana and construction thereon both present and future and all entitlements emanating there from.
- d. 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 there from.
- e. 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 there from.
- f. Irrevocable letters of Assignment for remitting the monthly lease rentals directly into an escrow account from three lessees.
- g. 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.
- h. Personal Guarantee of the directors, Mr. Shravan Gupta and Mrs Shilpa Gupta.

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

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.



[Handwritten signature]



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 Related Party.
- 4) The loan is bearing an interest @ 12% p.a.

x) **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 @ 8.80% p.a. There is no stipulation for any fixed term of repayment.
- 3) Unsecured Loans from Other : 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.

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

Expenses	Amount in Lacs	
	F.Y. 2014-15	F.Y. 2013-14
Tour and Travelling	61.91	75.79
Car running and Maintenance	14.82	13.00
Business Promotion	11.80	4.56
Total	88.53	93.35

13.17 **Joint Venture Projects**

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

- I. Members : MGF Developments 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 :
 - (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. In this year, the net income of the company, from the project was Rs. 1,70,27,710/- (P.Y. 1,82,72,714/-).

IV. In the accounts, the income and expenditure on the above has been shown in respective heads of income and expenditure of the company.

V. The company owes a sum of Rs. 2.54 crores (P.Y. 2.69 crores) to the other party as on 31.03.2015.

13.18 Employees Benefits : Gratuity Fund / Leave Encashment

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

	Amount in Rupees	
For	As on 31.03.2015	As on 31.03.2014
Gratuity	23,45,145/-	20,55,963/-
Leave Encashment	8,20,810/-	5,78,301/-

13.19 Partnership firm

The Company has ceased to be a partner of the firm M/s MGF Mall Management and MGF Event Management vide Partnership Deed Retiring One Partner and Introducing a New Partner dt. 15.03.2015 w.e.f. 01.12.2012. The Company has signed these deeds, pending signatures of other partners.

The balance sheet of the above partnership firms are not available for the financial year ended on 31.3.2015. There were differences in the accounts of the firms as per their balance sheets as on 31.03.2013 and 31.03.2014 as available. As per the company, these have been reconciled as on 31.03.2015. Details of transactions with the firms were not available as per their books of accounts after 01-04-2012.

13.20 Loan from banks and Financial Institutions have been classified in Long Term Borrowings and Other Current Liabilities on estimate basis by the company as detail statements of such liabilities are not available from banks.

13.21 Cash in hand has been kept in the safe custody with directors of the company.

13.22 Corporate Social Responsibility :

Provision of CSR u/s 135 is not applicable to the company as profit after provision of Income tax is less than 5 cores during the year.

13.23 Key Managerial Personnel:

The company has not appointed Chief Financial Officer as required under section 203 of the companies Act, 2013, read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. However, necessary steps are being taken in this regard.



13.24 The company has written back a sum of Rs 885.01 lacs received from various parties in earlier years as under :

S.No	Particulars	Amount (in lacs)
1.	Inter-Corporate Deposits	410.00
2.	Joint Venture	200.00
3.	Booking Advances	5.00
4.	Sinking Fund	38.81
5.	Trade Payable	8.88
6.	Security deposits	82.33
7.	Other Payables	139.99
	Total	885.01

13.25 The company has written off a sum of Rs 153.20 lacs receivable from various parties as detailed under, as the amount could not be recovered/adjusted :

S.No	Particulars	Amount (in lacs)
1.	Rent / tenant	18.79
2.	Inter-corporate deposits	110.78
3.	Inventory (WIP) Goa Project	7.18
4.	Advance to supplier	1.10
5.	Business advances	15.35
	Total	153.20

13.26 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) List of Related Parties

1. Key Managerial Personnel / Directors

Mr. Shravan Gupta	Director
Mrs. Shilpa Gupta	Whole time Director w.e.f. 01.04.2014)
Mr. Arun Mitter (MD till 30.09.2014)	Director till date
Mr. Rakshit Jain	Director
Ms. Nupur Jain	Company Secretary

B) Detail of transactions entered into with related parties

a) Long Term Borrowing includes :-

1. Interest Free deposit Rs. 42.40 lacs (P.Y. 42.40 Lacs) from Mr. Arun Mitter, a director of the company for business purpose. (Maximum Balance 42.40 lacs). There is no transactions during the year.



1. Booking Advances received	2752.22	3073
2. Other Payables	74.03	89.32

3. Due to Joint Venture for prospective projects with related parties :

Related Parties	Opening Balance	Amount in Lacs		Closing Balance	Maximum Balance
		Paid / Adjusted	Received / Adjusted		
Anspl Properties & Infrastructure Ltd	268.62	371.01	356.01	253.62	268.62
Avian Estates Pvt. Ltd.	47.00	-	-	47.00	47.00
Card Services India Pvt. Ltd.	297.82	-	254.00	551.82	551.82
SSP Aviation Ltd.	874.50	-	-	874.50	874.50
Total	1,487.95	371.01	610.01	1,726.95	1,741.95
P.Y.	7,651.44	9,387.37	6,119.70	4,383.77	

The Company had 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. In the meanwhile, the company is using these funds for its business.

However the directors are hopeful of such projects to materialize soon. Formal agreements will be made at the time of finalization & execution of projects. The matter is under progress. The matter is reviewed periodically by all the parties concerned.

e) **Fixed Assets**

The company has sold its building (office premises) to a relative of the director of the company at a price of Rs 1.50 Crores vide an unregistered agreement to sell dated 18/03/2015 on credit for which circle rates are not available to ascertain its assessable value / fair market price. However, the directors have verified it otherwise.

f) **Investments**

1. The company has sold 2,500 equity shares (Face Value / Cost Price Rs 10/- each) of Emaar MGF Construction Pvt. Ltd to related party, M/s Emaar MGF Land Ltd at Rs 6.25 lacs in this year.
2. Shares of M/s North Delhi Metro Mall Pvt. Ltd.
 - a. The company has received 96,48,000 equity shares of M/s North Delhi Metro Mall Pvt. Ltd. from a related party, M/s Columbia Holding Pvt. Ltd. at its face value of Rs 10/- each i.e. at Rs 964.80 lacs in exchange of a property / inventory during the year.



MGF DEVELOPMENTS LIMITED

Regd. Office : MGF House, 17-B, Asaf Ali Road, New Delhi – 110 002
CIN: U74999DL2003PTC123419, E-Mail: tax@mgfindia.com

- b. The company has sold 2,24,50,206 equity shares (Face Value Rs 10/-) of M/s North Delhi Metro Mall Pvt. Ltd to related party, M/s MGF Automobiles Ltd at Rs 22.45 Crores on credit during the year.
- c. Directors confirm that all the transactions of shares with related parties were at their fair market prices, though their book values were higher.

3. Associate and Subsidiary Companies :

The company had acquired, 5000 shares of M/s Salar Promoters Pvt. Ltd. at price of Rs. 10/- each and a wholly owned subsidiary company (10,000 shares) M/s Samishti Real Estate Pvt. Ltd. at a price of Rs. 10/- each during the year.

- 4. Other old Investment in shares with related companies (Refer note no. 13)

5. Long Term Loans & Advances with related parties :-

- 1. Advance against purchase of land : The company has entered into an unregistered agreement dt. 18/02/2015 to purchase the agricultural land from a director of the company at a price of Rs 14.50 Crores, against which a payment of Rs 13.64 crores has been made. This agreement is executable by the parties within 36 months on the completion of terms and conditions by the director in respect of the land.
- 2. Security Deposits includes amount of Rs. 23.56 Crores (P.Y. 23.56 Crores) advance paid to purchase a property from a related party, against agreement to sell dt. 07.09.2006 of Rs. 75.00 Crores . There is no time limit prescribed for its execution in the agreement. This property was under lease with this company upto 30.06.2014 at a lease rent of Rs. 5.50 lacs per month. This property is under the possession of this company for use and its 90% expenses are met by the company.
- 3. Advances given for prospective Projects in joint venture with related parties :

Amount in Lacs

Related Parties	Opening Balance	Paid /	Received /	Closing Balance	Maximum Balance
		Adjusted	Adjusted		
Motive Construction Pvt Ltd	360.00	-	-	360.00	360.00
North Delhi Metro Mall Pvt.Ltd.	2,734.89	820.99	-	3,555.88	3,555.88
Pushpak Promoters Pvt.Ltd.	401.59	5.50	-	407.09	407.09
Sahayog Buildtech Pvt. Ltd	8,927.80	0.30	-	8,928.10	8,928.10
Sareen Estates Pvt. Ltd.	546.84	-	546.84	-	546.84
Shailvi Estates Pvt. Ltd.	712.75	-	-	712.75	712.75
Sojanya Promoters Pvt. Ltd.	721.00	-	550.00	171.00	721.00
VMR Promoters Pvt. Ltd.	298.38	-	-	298.38	298.38
Yashasvi Buildtech Pvt. Ltd.	2,041.55	-	-	2,041.55	2,041.55
Total	16,744.80	826.79	1,096.84	16,474.75	17,571.58
P.Y.	16,802.72	1,048.31	23.24	17,827.80	

The Company had 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
18 | Page



M



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. The matter is under progress. The matter is reviewed periodically by all the parties concerned.

4. Long Term Interest free Inter-corporate Deposits with Related Parties for Business :

Amount in Lacs

Related Parties	Opening Balance	Paid /	Received /	Closing Balance	Maximum Balance
		Adjusted	Adjusted		
Aparna Buildcon Pvt. Ltd.	70.00	-	-	70.00	70.00
Discovery Estates Pvt. Ltd.	1,662.20	331.35	705.82	1,287.73	1,884.65
* Discovery Holdings Pvt. Ltd.	-	422.85	168.00	254.85	61.85
Emaar MGF Education Pvt. Ltd.	15.00	-	-	15.00	15.00
MGF Estates Managements Pvt. Ltd.	320.67	-	320.67	-	320.67
Extol Buildcon Pvt. Ltd.	25.00	-	-	25.00	25.00
Pavni Developers Pvt. Ltd.	186.80	-	-	186.80	186.80
Soumya Promoters Pvt. Ltd.	55.00	-	-	55.00	55.00
Total	2,334.67	754.20	1,194.49	1,894.38	2,618.97
P.Y.	2,040.07	339.60	45.00	2,334.67	2,369.67

(*) This ICD includes joint venture of Rs 254.85 lacs for a new prospective project of Estates with M/s Discovery Holdings Pvt. Ltd. The amount will be returned if the projects do not materialize with the third parties, though there are no formal agreement / arrangements executed till date in writing for their terms. This is as per board resolutions. Formal agreements will be made at the time of finalization & execution of projects.

6. Current Investments includes

1. Interest free Inter-corporate Deposits with Related Parties for business purpose.

Amount in Lacs

Related Parties	Opening Balance	Paid /	Received /	Closing Balance	Maximum Balance
		Adjusted	Adjusted		
MGF Housing & Infrastrue P Ltd	0.20	-	-	0.20	0.20
MGF Infotech Pvt Ltd	0.20	0.25	-	0.45	0.45
Salar Promoters Pvt. Ltd.	-	122.00	-	122.00	122.00
SSP Developers Pvt. Ltd.	50.00	-	-	50.00	50.00
Yashoda Promoters Pvt. Ltd.	298.00	-	-	298.00	298.00
Total	348.40	122.25	-	470.65	470.65
P.Y.	350.62	.40	2.62	348.40	351.02

There are no formal agreement / arrangements executed till date in writing for their terms.



M



7. Trade Receivable Rs. 2100.18 lacs (P.Y. 1425.32 lacs), due from related parties, due from related parties.
8. Short Term Loans & Advances includes advances given for booking of commercial space at Market Price of Rs. 2,630.00 lacs (P.Y. Rs. 2,630.00 lac) against agreements as a price of Rs. 2,722 Lacs to related parties.
9. Other Current Assets includes Other Receivable are as under :-

As on 31st March, 2015 Amount in Lacs	As on 31st March, 2014 Amount in lacs
4856.72	2479.46

10. Sale includes Rs. 2613.32 lacs made to Associate companies, in which directors of the company are interested on Credit. (P.Y. Rs.3725.75 lacs) (including exchange transactions of Rs. 619.09 lacs).

The company has sold its inventory vide an unregistered agreement to sell dated 18/03/2015 for which circle rates are not available to ascertain its asseeable value / fair market price on credit. However, the directors have verified it otherwise.

11. Purchase includes Rs. 619.09 lacs from a related party (P.Y. Rs Nil) on exchange basis as per unregistered agreements & letters.

Following exchange transactions has been done with an associate company vide Memorandum of Settlement Phase-II dated 09-03-2015 filed in Civil Court Gurgaon, Haryana and duly decreed on 07/04/2015

Amount in Lacs				
S.No.	Given	Budgeted Value (in lacs)	Received	Exchange Value (in lacs)
1.	Properties / Inventories	1359.91	Properties / inventories	619.09
2.	Property / Inventory	999.37	Shares	964.80

The directors have confirmed the above sale/purchase of properties/shares at fair market prices, though not valued by any expert and the circle rates of properties are not known to ascertain their assessable / fair market prices and that the measurements given in above documents have been accounted for in the books of account accordingly.

12. Expenditure :-

Amount in Rupees		
Expenses	F.Y. 2014-15	F.Y. 2013-14
Rent Paid to M/s Shanti Apparels Manufacturing Co. Pvt. Ltd.	16,50,000	6,600,000
Rent Paid to M/s Columbia Holding Pvt. Ltd.	93,07,032	
Interest Paid on ICD to M/s India Lease Development ltd.	68,92,130	5,502,805
Total	1,78,49,162	1,21,02,805



13. Wholly owned subsidiary Co.

Companies	Amount in Lacs			Nature
	As on 31.03.2015	As on 31.03.2014	Maximum Balance	
Kayo Developers Pvt. Ltd.	2863.35	2863.35	2863.35	Joint Venture
Samisthi Real Estate Pvt Ltd	768.70	--	768.70	ICD
Crimpsom Holdings Pvt. Ltd.	--	--	--	--

14. All the transactions of immovable properties (fixed assets & inventories) with related parties were at fair market prices as certified by Directors, their circle rates are not known to the company. Income Tax Provision has been made considering the sale and purchase price as fair market price.
15. No interest/compensation has been paid or received by the company on inter-related party transactions on any account. Except interest is being paid to related party, M/s India Lease Development @ 8.80% p.a{ P.Y. 7.50%} on ICD.
16. The director confirms that the above transactions are not prejudicial to the interest of the company.
17. There is no other transaction with any director / member or any other related party during the year.
18. These are the details of related parties, which have been related to the company throughout the year.

13.27 **Managerial Remuneration:**

The managerial remuneration is being paid as under:

Particulars	Amount in Rupees	
	F.Y. 2014-15	F.Y. 2013-14
Salary :		
Arun Mitter (MD till 30-09-2014)	6,00,000	12,00,000
Shilpa Gupta (MD w.e.f 01-04-2014)	18,00,000	--
Contribution of PF :		
Arun Mitter (MD till 30-09-2014)	72,000	1,44,000
Shilpa Gupta (MD w.e.f 01-04-2014)	2,16,000	--
Total	26,88,000	13,44,000

- 13.28 a) i) There is no Income in Foreign Currency.
- ii) The Company has incurred Expenditure on Foreign travel of Rs. 31.77 lacs in foreign exchange during the year (P.Y. Rs. 28.56 Lacs)
- b) The audit has been conducted on test - check basis as per books of accounts, information & explanation given by the directors.
- c) All the income & expenditure has been certified & verified by the directors of the company to be true & correct in all respects.



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

Particulars	Amount in Rupees	
	F.Y. 2014-15	F.Y. 2013-14
Statutory Audit Fees	6,50,000	6,50,000
Service Tax	80,340	80,340
Total	7,30,340	7,30,340

13.30 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 Directors believe not 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.

13.31 Previous year's figures/heads have been revised to make them comparable to current year wherever considered necessary.

13.32 These notes on accounts form integral part of Balance Sheet & Statement of Profit and Loss of the company of Financial Year 2014-15 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.

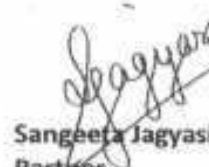


Shравan Gupta
Director
DIN : 00002707



Arun Mitter
Director
DIN : 00022941

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



Sangeeta Jagyasi
Partner
M.No. 501559



Place: New Delhi
Date: 1st September, 2015

