



CORPORATE INFORMATION:

BOARD OF DIRECTORS

Shri Shravan Gupta	Director
Shri Arun Mitter	Director
Shri Rakshit Jain	Director
Mrs. Shilpa Gupta	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
YES BANK LIMITED



NOTICE

Notice is hereby given that the 20th Annual General Meeting of the members of MGF Developments Limited will be held on Friday, 30th September, 2016 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 2016, Statement of Profit & Loss and Cash Flow Statement of the Company for the year ended on 31.03.2016 together with the Report of Director's and Auditor's there on.
2. To appoint a Director in place of Shri Arun Mitter (DIN: 00022941), 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.”

SPECIAL BUSINESS:

4. Ratification of remuneration payable to Cost 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 148 (3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit & Auditors) Rules 2014 and approved by the Board of Directors, the remuneration of Rs. 40,000/- (Rupees Forty Thousand Only) per annum plus applicable taxes and other out of pocket expenses payable to M/s. Sarat Mondal & Co., Cost Accountants (Firm Registration No: 24642) appointed as Cost Auditors for the financial year 2016-17 be and is hereby ratified and confirmed.”

2



RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

FOR AND ON BEHALF OF THE BOARD

Place: New Delhi
Date: 01.09.2016

NUPUR JAIN
ASS. 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, 2016 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 2015-2016 is attached herewith as per the provisions of Section 129 of the Companies Act, 2013.
8. The route map of place of Annual General Meeting is annexed hereto and forms part of the notice.



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

The Board of Directors, at its meeting held on 10th August, 2016, as per the recommendation of the Audit Committee, approved the appointment of M/s. Sarat Mondal & Co., Cost Accountants (Firm Registration No: 24642), as the Cost Auditors of the Company for the Financial year 2016-17 at a fee of Rs. 40,000/- (Rupees Forty Thousand Only) plus applicable taxes and other out of pocket expenses, for conducting the audit of the cost accounting records of the Company for the financial year ending 31st March, 2017. Pursuant to Section 148(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014, the Members of the Company are required to ratify the remuneration to be paid to the Cost Auditors of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 4 of the notice for ratification of remuneration payable to the Cost Auditors of the Company for the year ending 31st March, 2017.

None of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the said Resolution.

The Board recommends the Resolution at Item No. 4 for approval of the Members.

FOR AND ON BEHALF OF THE BOARD

Place: New Delhi

Date: 01.09.2016

NUPUR JAIN
ASS. 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 20th Annual Report together with the Audited Financial Accounts for the year ended on March 31, 2016.

1. Financial Summary

Your Company's financial performance (Standalone Basis) for the year ended March 31, 2016 has been as under:

Particulars	Amount (in Rs.)	
	2015-16	2014-15
Revenue from operations	537,397,905	710,443,930
Other Income	38,955,095	98,957,471
Total Revenue	576,353,000	809,401,401
Total operating expenditure excluding Depreciation	518,778,810	744,701,149
Depreciation & Amortization Expense	20,576,518	22,836,443
Profit before exceptional and extraordinary items and tax	36,997,672	41,863,808
Exceptional Items	10,423,858	9,722,846
Profit before extraordinary items and tax	47,421,530	51,586,654
Profit before Tax	47,421,530	51,586,654
Provision for Taxation	15,460,705	64,450,669
Deferred Tax Liability/ (Assets)	-57,56,175	15,794,683
Net Profit/ (Loss) after tax	37,717,000	(28,658,698)
Earning per equity share:		
Basic	1.20	(0.96)
Diluted	1.20	(0.96)

2. PERFORMANCE REVIEW:

Your Company has recorded Revenue from Operation of Rs. 53.74 Crores (Previous Year 71.04 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. Profit for the year worked out to Rs. 3.77 Crores in comparison of Previous Year Loss, Rs. 2.86 Crores. Earning per equity share worked out to 1.20 (Previous year -0.96).

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, 2016.



4. Transfer to Reserves

The provision of Section 125(2) of the Companies Act, 2013 do not apply.

5. Share Capital

During the year under review, your Company allotted 29882535 Partly-Paid (@ Rs. 4.60 /- including premium of Rs. 3.60/-) Equity Shares of Rs. 10/- each as face value and Rs. 36/- as premium each on rights basis to its existing shareholders, viz., Mrs. Shilpa Gupta, Discovery Estates Pvt. Ltd., Vishnu Apartments Pvt. Ltd. and SSP Aviation Ltd., on 22nd March, 2016. As a result of this allotment, the Paid-up Share Capital of the Company as at March 31, 2016 stood at Rs. 328,707,885/- (Rupees Thirty Two Crore Eighty Seven Lac Seven Thousand Eight Hundred and Eight Five).

6. Subsidiary Companies

Your Company as on 31st March 2016 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, 2016 stood at Rs. 1,547,473/- (Previous Year: Rs. 1,421,058.97/-). However there were expenses of Rs. 78,015.81/- (Previous Year: Rs. 34,285.75/-) as on March 31, 2016 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, 2016 stood at Rs. NIL (Previous Year: NIL) and all the expenses have been capitalized under the head "Pre-operative Expenses" during the year.

Crimson Holdings Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2016 stood at Rs. NIL (Previous Year: Rs. NIL). However there were expenses of Rs. 320,740/- (Previous Year: Rs. 21,543/-) as on March 31, 2016. The Company incurred loss of Rs. 320,740/- (Previous Year Loss: Rs. 21,543/-) for the year ended March 31, 2016.



ASSOCIATES:

Discovery Holdings Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2016 stood at Rs. 3,380,109/- (Previous Year: Rs. 3,403,926/-). However there were expenses of Rs. 407,992/- (Previous Year: Rs. 492,845/-) as on March 31, 2016. The Company earned profit of Rs. 1,954,497/- (Previous Year Profit: Rs. 1,894,451/-) for the year ended March 31, 2016.

VMR Promoters Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2016 stood at Rs. NIL/- (Previous Year: Rs. NIL). However there were expenses of Rs. 32,303/- (Previous Year: Rs. 32,556/-) as on March 31, 2016. The Company incurred loss of Rs. 23,303/- (Previous Year Loss: Rs. 19,056/-) for the year ended March 31, 2016.

SSP Aviation Limited

The Total Revenue of the Company for the financial year ended 31st March, 2016 stood at Rs. (Previous Year: Rs. 856,890/-). However there were expenses of Rs. (Previous Year: Rs. 385,591/-) as on March 31, 2016.

MGF Promotions & Events Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2016 stood at Rs. 9,609,957/- (Previous Year: Rs. 12,512,518/-). However there were expenses of Rs. 5,960,498/- (Previous Year: Rs. 7,240,471/-) as on March 31, 2016. The Company earned profit of Rs. 2,474,459/- (Previous Year Profit: Rs. 1,772,047/-) for the year ended March 31, 2016.

MGF Estates Management Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2016 stood at Rs. 164,347,755/- (Previous Year: Rs. 142,255,669/-). However there were expenses of Rs. 162,021,319/- (Previous Year: Rs. 147,319,400/-) as on March 31, 2016. The Company incurred loss of Rs. 923,164/- (Previous Year Loss: Rs. 9,131,531/-) for the year ended March 31, 2016.

North Delhi Metro Mall Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2016 stood at Rs. 11,372,145/- (Previous Year: Rs. 8,871,374/-). However there were expenses of Rs. 109,434,797/- (Previous Year: Rs. 111,355,250/-) as on March 31, 2016. There were Development Expenses of Rs. 98,062,652/- (Previous Year: Rs. 102,483,876/-)



JOINT VENTURE COMPANIES:

Avian Estates Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2016 stood at Rs. NIL (Previous Year: Rs. NIL). However there were expenses of Rs. 30,954/- (Previous Year: Rs. 37,717/-) as on March 31, 2016. The Company incurred loss of Rs. 30,954/- (Previous Year Loss: Rs. 37,717/-) for the year ended March 31, 2016.

Cards Services India Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2016 stood at Rs. 1,926,313/- (Previous Year: Rs. 41,096,360/-). However there were expenses of Rs. 543,706/- (Previous Year: Rs. 18,504,443/-) as on March 31, 2016. The Company earned profit of Rs. 962,607/- (Previous Year Profit: Rs. 15,491,917/-) for the year ended March 31, 2016.

Motive Constructions Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2016 stood at Rs. 1,822,148/- (Previous Year: Rs. 12,877/-) 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, 2016 stood at Rs. NIL (Previous Year: Rs. NIL). Further, the total expenses stood at Rs. NIL (Previous Year: Rs. NIL) as on March 31, 2016. The Company neither earned profit nor incurred loss (Previous Year: neither profit nor loss) for the year ended March 31, 2016.

Sahayog Buildtech Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2016 stood at Rs. 70,000/- (Previous Year: Rs. NIL). However there were expenses of Rs. 30,940/- (Previous Year: Rs. 48,925/-) as on March 31, 2016. The Company earned profit of Rs. 31,060/- (Previous Year Loss: Rs. 48,925/-) for the year ended March 31, 2016.

Yashasvi Buildtech Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2016 stood at Rs. 180,000/- (Previous Year: Rs. NIL). However there were expenses of Rs. 128,813/- (Previous Year: Rs. 55,419/-) as on March 31, 2016. The Company earned profit of Rs. 41,187/- (Previous Year Loss: Rs. 55,419/-) for the year ended March 31, 2016.

Shailvi Estates Private Limited

The Total Revenue of the Company for the financial year ended 31st March, 2016 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, 2016 stood at Rs. NIL (Previous Year: Rs. NIL). However the total expenses stood at Rs. 12,945/- (Previous Year: Rs. 58,161/-) as on March 31, 2016. The Company incurred loss of Rs. 12,945/- (Previous Year Loss: Rs. 58,161/-) for the year ended March 31, 2016.

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. 25017696.79/-.

8. Deposits

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

9. Extract of Annual Report

The extract of the annual return for the financial year 2015-16 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 2016-17.

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, M/s Sarat Mondal & Co., for auditing the cost accounts of the Company for the financial year 2016-17.



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.

During the year ended 31st March, 2016, four Audit Committee Meetings were held on 30/06/2015, 30/09/2015, 31/12/2015 and 31/03/2016.

14. Changes in Directors and Key Managerial Personnel

Mrs. Shilpa Gupta resigned from the post of Whole-Time Director of the Company, w.e.f. August 31, 2016 and shall continue as the Director only. The Board of Directors recommends that this may be accepted and approved.

Further, Mr. Arun Mitter, Director of the Company, who retires by rotation being eligible offers himself for re-appointment at the ensuing Annual General Meeting. This may be considered and approved.

15. Number of Board Meetings

The Board of Directors duly met 18 (Eighteen) times respectively on 15.04.2015, 25.05.2015, 22.06.2015, 20.07.2015, 01.09.2015, 14.09.2015, 18.09.2015, 06.10.2015, 12.10.2015, 24.11.2015, 04.01.2016, 25.01.2016, 18.02.2016, 24.02.2016, 08.03.2016, 18.03.2016, 22.03.2016 and 29.03.2016 in respect of which meetings proper notices were given and the proceedings were properly recorded in the Minutes Book maintained for the purpose.

16. 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 2016, 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, 2016 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.

17. 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.

18. 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

There are no material changes and commitments, affecting the financial position of the Company which has occurred since the end of the financial year i.e. March 31, 2016, except that the Company has initiated the process of Corporate Restructuring by way of Demerger, the details of which forms part of this report.

Corporate Restructuring plan in the form of Scheme of Demerger of the Company

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

The Demerger would lend greater focus on the operation of the Company's businesses/ projects and enable further growth and expansion of each business/project. The reorganization of these businesses/projects will also enable focused leadership that is required by these businesses/ projects which in turn will allow the businesses to undertake future expansion strategies for overall benefits. The Board of Directors believe that the Demerger will have beneficial results for the shareholders, creditors, customers, employees and all concerned of the Company.

The Scheme provides for the demerger of an undertaking, being part of the construction and development business of Emaar MGF Land Limited ("Demerged Company") to MGF Developments Limited ("Resulting Company"), and consequent issue of shares by the Resulting Company to the shareholders of the Demerged Company, except to the extent shares held by the Resulting Company in the Demerged Company.

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

- a. fixed assets (including information technology equipment, furniture, fixture and fittings) exclusively related to the Demerged Undertaking and capital expenditure on such fixed assets incurred by the Demerged Company to be transferred to the Resulting Company, as per the Scheme of Arrangement;
- b. other assets, including current and non-current assets, investments, cash and bank balances (including, for the purposes of clarification, bank accounts related thereto) related to the projects to be transferred to the Resulting Company, as per the Scheme of Arrangement;



- c. the legal and beneficial interests in the shares of companies as per the Scheme of Arrangement;
- d. all development rights relating to, in respect of, or connected with the land and all development rights in the projects comprised in the assets, as set out in the Scheme of Arrangement, including all monies applied by the Demerged Company towards accounting for such rights.
- e. the debts, duties, obligations and liabilities (including all future liabilities in relation to the Demerged Undertaking, contingent liabilities/ claims) relating to the Demerged Undertaking, as per the Scheme of Arrangement, will be transferred to and vest in the Resulting Company.
- f. all employees employed/engaged in the Demerged Undertaking as; on the date of approval of the Scheme by the Hon'ble Court, including all their related benefits like gratuity, provident fund, etc. and jail liabilities relating to such employees from the Appointed Date;
- g. The Resulting Company will issue 9 (nine) Equity Share of Rs. 10 each, credited as fully paid-up, to the shareholders of the Demerged Company for every 416 (four hundred sixteen) Equity Shares of Rs. 10 each held in the Demerged Company.
- h. Upon the Scheme coming into effect, the issued, subscribed and paid up share Capital of the Demerged Company shall stand reduced from the present Rs. 912,61,98,450 divided into 91,26,19,845 Equity Shares of Rs. 10 each fully paid-up to Rs. 91,26,19,850 divided into 9,12,61,985 Equity Shares of Rs. 10 each fully paid up.
- i. The aforesaid reduction in the subscribed, issued and paid up equity share capital of the Demerged Company, shall be effected on a proportionate basis in proportion to the shares held, on the record date by the shareholders, such that the Demerged Company shall extinguish 9 (nine) Equity Shares of Rs. 10 each held by each of its shareholders, for every 10 (ten) Equity Shares of Rs 10 each held in the Demerged Company by such shareholders.
- j. With regard to 22,600 Redeemable Secured Non-Convertible Debentures of the face value of Rs. 10,00,000 each issued by the Demerged Company, upon coming into effect of the Scheme, the face value of each such debentures shall without further act or deed be reduced by Rs. 3,15,531 (Rupees three hundred fifteen thousand five hundred thirty one) such that the face value of each such debenture shall stand reduced to Rs. 6,84,469 (Rupees six hundred eighty four thousand four hundred sixty nine). Simultaneously and without any further act or deed, and without payment of any further amount to the Resulting Company, the holders of the aforesaid debentures shall be entitled to an equivalent number of fully paid debentures of the face value of Rs. 3,15,531 (Rupees three hundred fifteen thousand five hundred thirty one) each by the Resulting Company. At the time of redemption, the liability in respect of the debentures of the Demerged Company as aforesaid shall be Rs. 6,84,469 (Rupees six hundred eighty four thousand four hundred sixty nine) per debenture, and the liability in respect of the debentures of the Resulting Company shall be Rs. 315,531 (Rupees three hundred fifteen thousand five hundred thirty one) per debenture.
- k. Save as above, terms and conditions of other debentures (Secured and Un-secured) issued by the Demerged Company will remain the same.
- l. Appointed Date for the Scheme of Arrangement will be the closing hours of 30th September, 2015 or such other date, as the Hon'ble High Court may approve.



Status of Demerger

The Scheme was filed with the Hon'ble High Court of Delhi on May 16, 2016, through a joint 1st Motion Application by the Demerged Company and the Resulting Company under sections 391(1) and 394; 100 to 104 of the Companies Act, 1956.

The Hon'ble High Court vide its order dated 30th May, 2016 (date of pronouncement) directed to convene separate meetings of Equity Shareholders, Secured Creditors (including secured debenture holders) and Un-secured Creditors (including un-secured debenture holders) of the Demerged Company; Equity Shareholders, Secured Creditors and Un-secured Creditors the Resulting Company.

19. Managerial Remuneration

The details of Managerial Remuneration paid are as under:

Particulars	Amount (in Lakhs)	
	F.Y. 2015-16	F.Y. 2014-15
Salary:		
Mr. Arun Mitter	-	6.00
Mrs. Shilpa Gupta	18.00	18.00
Employer Contribution of PF:		
Mr. Arun Mitter	-	0.72
Mrs. Shilpa Gupta	2.16	2.16
Total	20.16	26.88

20. 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.

Details of related party transactions pursuant to in Section 188 of the Companies Act, 2013 are set out in Notes to the Accounts as 'Related Party Disclosures'.

21. 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 Accounts.

22. 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.

23. 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.



24. 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.

25. 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. Shравan 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.

26. Conservation of energy, technology absorption

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

27. 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, 2016	As on 31 st March, 2015
Purchase of Material	0	0
Expenses on Foreign Travel	Rs. 3,819,000/-	Rs. 3,177,000/-

28. 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: 01.09.2016

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 2016

[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: 011-23272216 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	41001	68.20
2	Rental and leasing of motor vehicles, machinery, equipment, capital goods, etc. activities	77301	21.28
3	Housekeeping & maintenance service	81300	10.52

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	U67110DL1998PTC093629	Associate	49.85	Sec 2-(6) of Companies Act, 2013

holding nominal share 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	3.09	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	
Grand Total (A+B+C)	-	29882535	29882535	100	-	59765070	59765070	100	

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in share holding during the year
1	Mr. Shravan Gupta	4053649	13.57	-	4053649	6.78	-	
2	Mr. Rajiv Gupta	5174	0.017	-	-	-	-	
3	Mrs. Shilpa Gupta	398	0.001	-	20398	0.03	-	
4	Mrs. Arti Gupta	4975	0.017	-	-	-	-	
5	Mr. Arun Mitter	199	0.0006	-	-	-	-	
6	Discovery Estates Pvt Ltd	4051501	13.56	-	13992346	23.41	-	
7	Bahubali Services Ltd	199	0.0006	-	-	-	-	
8	Vishnu Apartment Pvt Ltd	9960845	33.33	-	19921690	33.33	-	
9	SSP Aviation Ltd	9960845	33.33	-	19921690	33.33	-	
10	MGF Projects Pvt. Ltd.	-	-	-	10547	0.017		
	Total	28037785	93.83	-	57920320	96.91	-	

(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. Rajiv Gupta				
	At the beginning of the year	5174	0.017		
	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):	29.03.2016 Decrease in shareholding due to transfer of 5174 equity shares to M/s MGF Projects Pvt. Ltd.			
	At the End of the year	-	-	-	-
2.	Mrs. Shilpa Gupta				
	At the beginning of the year	398	0.001		
	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):	22.03.2016 Increase in shareholding due to allotment of 20000 equity shares on rights basis.			
	At the End of the year	20398	0.03	20398	0.03
3.	Discovery Estates Pvt. Ltd.				
	At the beginning of the year	4051501	13.56		
	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):	22.03.2016 Increase in shareholding due to allotment of 9940845 equity shares on rights basis.			
	At the End of the year	13992346	23.41	13992346	23.41
4.	Vishnu Apartment Pvt. Ltd.				
	At the beginning of the year	9960845	33.33		
	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):	22.03.2016 Increase in shareholding due to allotment of 9960845 equity shares on rights basis.			
	At the End of the year	19921690	33.33	19921690	33.33
5.	SSP Aviation Ltd.				
	At the beginning of the year	9960845	33.33		
	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):	22.03.2016 Increase in shareholding due to allotment of 9960845 equity shares on rights basis.			
	At the End of the year	19921690	33.33	19921690	33.33
6.	MGF Projects Pvt. Ltd.				
	At the	-	-	-	-

	beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	29.03.2016 Increase in shareholding due to transfer of 10547 equity shares.			
	At the End of the year	10547	0.017	10547	0.017
7.	Mrs. Arti Gupta				
	At the beginning of the year	4975	0.017		
	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):	29.03.2016 Decrease in shareholding due to transfer of 4975 equity shares to M/s MGF Projects Pvt. Ltd.			
	At the End of the year	-	-	-	-
8.	Mr. Arun Mitter				
	At the beginning of the year	199	0.0006		
	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):	29.03.2016 Decrease in shareholding due to transfer of 199 equity shares to M/s MGF Projects Pvt. Ltd.			
	At the End of the year	-	-	-	-

9.	Bahubali Services Ltd.				
	At the beginning of the year	199	0.0006		
	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):	29.03.2016 Decrease in shareholding due to transfer of 199 equity shares to M/s MGF Projects Pvt. Ltd.			
	At the End of the year	-	-	-	-

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

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
	For Each of the Top 10 Shareholders				
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	3.09	1844750	3.09

(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
	For Each of the Directors and KMP				
1.	Mr. Shravan Gupta				
	At the beginning of the year	4053649	13.57		
	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	4053649	6.78	4053649	6.78
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	-	-	-	-
3.	Mrs. Shilpa Gupta				
	At the beginning of the year	398	0.0013	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):	22.03.2016 Increase in shareholding due to allotment of 20000 equity shares on rights basis.			
	At the End of the year	20398	0.034	20398	0.034
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	286,881,859	938,474,708	-	1,225,356,567
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
<input type="checkbox"/> Addition	182,434,929.84	-	-	
<input type="checkbox"/> Reduction	-	96,199,680	-	
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	469,316,788	842,275,028	-	1,311,591,816
ii) Interest due but not paid				
iii) Interest accrued but not due				
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)	-----	----	----	
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	-	-	-	1,800,000
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others, please specify (Contribution of P.F.)	216,000	-	-	-	216,000
	Total (A)	2,016,000	-	-	-	2,016,000
	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	-	-	-	-	-



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 2016, 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

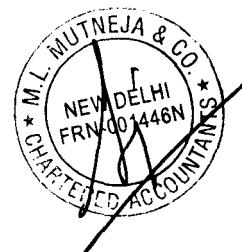
7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements together with and subject to all the notes thereon give the information required by the Act in the manner so required and give a true and fair view in conformity with 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, 2016;
 - (ii) in the case of the Statement of Profit and Loss of the profit 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

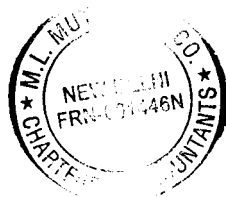
9. As required by section 143(3) of the Act, we report that:

- (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;

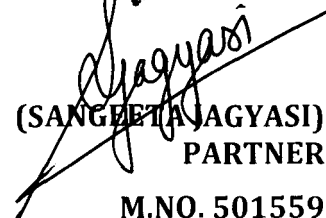




- (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 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) 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


(SANGETA JAGYASI)
PARTNER
M.NO. 501559

Place : New Delhi
Date : 01.09.2016

COMPANIES (AUDITOR'S REPORT) ORDER, 2016

Annexure to Auditor's Report dated 01.09.2016 for the Financial Year 2015-16 under Companies Act,2013)

COMPANY: M/S MGF DEVELOPMENTS LIMITED

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.
	(c) whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	Partly, Refer to Note No. 33(4)(i).
(ii)	Whether physical verification of inventory has been conducted at reasonable intervals by the management; And whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of accounts.	Yes Refer to Note No. 33(13.4)(m).
(iii)	Whether the company has granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	Yes
	(a) whether the terms and conditions of the grant of such loan are not prejudicial to the company's interest;	There are no specified terms. However, these are not considered pre-judicial to the company's interest in any way. All these are interest free.
	(b) whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	There are no specified terms.
	(c) if the amount is overdue, state the total amount over due for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	No There are no specified terms.

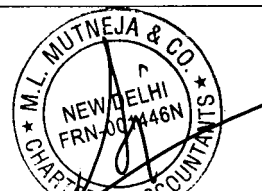


COMPANIES (AUDITOR'S REPORT) ORDER, 2016

Annexure to Auditor's Report dated 01.09.2016 for the Financial Year 2015-16 under Companies Act,2013)

COMPANY: M/S MGF DEVELOPMENTS LIMITED

S.No.	Particulars	Auditor's Remarks (As certified by Directors of the company)
(iv)	In respect of loans, investments, guarantees, and securities whether the provision of section 185 and 186 of the Companies Act, 2016 have been complied with. If not, provide the details thereof.	No interest is being charged in respect of such financial transactions. Refer to Note No. 33(13.27 & 13.15).
(v)	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 2013 and the rules framed there under, where applicable, have been complied with? If not, the nature of such contraventions 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?	The company has not accepted such deposits. However, the company has received amounts in various joint ventures. Refer to Note no. 33(13.27).
(vi)	where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act 2013 and whether such accounts and records have been so made and maintained;	Yes, maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act 2013 and such accounts and records have been made and maintained. However, Cost Audit is under progress.
(vii)	(a) whether the company regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on 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;	(i) Yes, but not regular. (ii) Arrears : a) Income Tax : Provisions made : Rs. 4,87,50,186/- Refer to Note no. 33(12)(h). b) TDS payable : Rs. 11,29,721/- c) Ground Rent : Rs 7,89,19,542/-.
	(b) where dues of income tax or sales 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 be treated as a dispute).	(i) Yes. (ii) Pending details : a) Income Tax : Provision not made : Rs 91,61,431/- Refer to Note no. 33(12)(h). b) Service Tax : Rs. 82.94 lakhs Refer to Note no. 33(12)(g).



COMPANIES (AUDITOR'S REPORT) ORDER, 2016

Annexure to Auditor's Report dated 01.09.2016 for the Financial Year 2015-16 under Companies Act,2013)

COMPANY: M/S MGF DEVELOPMENTS LIMITED

S.No.	Particulars	Auditor's Remarks (As certified by Directors of the company)
(viii)	Whether the company has defaulted in repayment of loans or borrowings to a financial institution, bank, Government or dues to debenture holders? If yes, the period and amount of default to be reported(in case of defaults to banks , financial institutions, and Government, lender wise details to be provided);	No
(ix)	Whether moneys raised by way of initial public offer or further public offer (including debts instruments) and term loans were applied for the purposes for which those are raised. If not , the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	The company has not raised money by way of public offers(including debts instruments); And Yes, term loans were applied for the purposes for which those were raised.
(x)	whether any fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	None noticed/reported.
(xi)	Whether the managerial remuneration has been paid or provided in accordance with requisite approval mandated by the provisions of sec 197 read with Schedule V to the companies Act? If not , state the amount involved and steps taken by the company for securing refund of the same;	Yes.
(xii)	Whether the Nidhi Company has compiled with the Net Owned Funds to deposits in the ratio of 1:20 to meet out the liability and whether the Nidhi Company is maintaining ten percent unencumbered term deposits as specified in the Nidhi Rules ,2014 to meet out the liability;	Not Applicable
(xiii)	Whether all transactions with related parties are in compliance with Section 177and 188 of the Companies Act ,2013 where applicable and the details have been disclosed in the financial statements etc. , as required by applicable accounting standards	U/s 177 : Yes. U/s 188 : Yes, at arm's length prices in the ordinary course of business. However no interest has been charged or given on inter-finance transactions except interest paid to M/s India Lease Development Ltd. on amount borrowed from it. Refer to Note No. 33 (13.27).



COMPANIES (AUDITOR'S REPORT) ORDER, 2016

Annexure to Auditor's Report dated 01.09.2016 for the Financial Year 2015-16 under Companies Act,2013)

COMPANY: M/S MGF DEVELOPMENTS LIMITED

S.No.	Particulars	Auditor's Remarks (As certified by Directors of the company)
(xiv)	Whether the company has made any preferential allotment or private placement of share or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of Section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purpose for which the funds were raised. If not, provide the details in respect of amount involved and nature of non-compliance;	The company has not made any preferential allotment or private placement of share or fully or partly convertible debentures during the year under review. However, there was a right issue.
(xv)	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of Section 192 of Companies Act, 2013 have been complied with;	No exchange transaction.
(xvi)	Whether the company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether registration has been obtained.	No

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


SANGEETA JAGYASI
PARTNER
M.No. 501559



For MGF DEVELOPMENTS LTD.



DIRECTOR

PLACE : NEW DELHI
DATE : 01.09.2016

MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

BALANCE SHEET AS AT 31ST MARCH, 2016

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	328,707,885	298,825,350
b) Reserve & Surplus	2	1,208,070,927	1,062,776,801
		1,536,778,812	1,361,602,151
(2) Non- Current Liabilities			
a) Long term borrowings	3	1,123,689,633	950,292,776
b) Deferred tax liability (net)	4	112,392,356	118,148,531
c) Other Long Term Liabilities	5	802,231,275	808,559,013
d) Long-term provisions	6	2,636,722	2,345,145
		2,040,949,986	1,879,345,464
(3) Current Liabilities			
a) Short term borrowings	7	147,800,000	178,228,807
b) Trade payables	8	177,341,853	282,606,896
c) Other current liabilities	9	1,880,424,402	1,771,367,599
d) Short-term provisions	10	135,975,037	320,544,140
		2,341,541,292	2,552,747,443
Total Equity & Liabilities		5,919,270,090	5,793,695,057
II. ASSETS			
(1) Non-current Assets			
a) Fixed Assets			
i) Tangible Assets	11	11,847,021	13,797,832
ii) Intangible Assets	12	700,108	1,158,669
b) Non-current Investment	13	342,302,219	329,820,969
c) Long term loans & advances	14	2,753,661,138	2,840,744,291
d) Other non-current assets	15	5,650,878	5,643,249
		3,114,161,365	3,191,165,011
(2) Current Assets			
a) Current investment	16	412,259,026	161,074,026
b) Inventories	17	967,652,359	925,311,970
c) Trade receivables	18	486,851,533	255,286,873
d) Cash and cash equivalents	19	68,224,414	153,420,663
e) Short-term loans and advances	20	312,411,357	312,505,793
f) Other current assets	21	557,710,035	794,930,721
		2,805,108,725	2,602,530,047
Total Assets		5,919,270,090	5,793,695,057

Summary of significant accounting policies 33

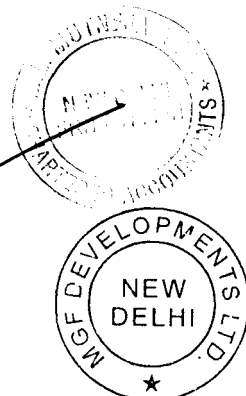
The accompanying notes are an integral part of the financial statements.

For reference and as per our report of even date

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

(Sangeeta Jagyasi)
Partner
Membership No. : 501559

Place : New Delhi
Dated : 1st September, 2016



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

(Shravan Gupta)
Director
DIN : 00002707

(Arun Mitter)
Director
DIN : 00022941

(Assistant Company Secretary)
M.No. 36044

MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Statement of Profit and Loss for the year ended 31st March, 2016

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	537,397,905	710,443,930
II	Other Income	23	38,955,095	98,957,471
III	III. Total Revenue (I +II)		576,353,000	809,401,401
IV	Expenses:			
	Cost of Materials Consumed	24	132,581,965	413,628,935
	Purchase of Stock-in-Trade	25	0.00	61,908,558
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	0.00	102,739,850
	Employee benefit expense	27	18,117,084	19,555,198
	Financial costs	28	45,548,975	50,562,651
	Depreciation and amortization expense	29	20,576,518	22,836,443
	Other expenses	30	322,530,786	96,305,956
	Total Expenses (IV)		539,355,328	767,537,592
V	Profit before exceptional and extraordinary items and tax	(III - IV)	36,997,672	41,863,808
VI	Exceptional Items	31	10,423,858	9,722,846
VII	Profit before extraordinary items and tax	(V - VI)	47,421,530	51,586,654
VIII	Extraordinary Items		0	0
IX	Profit before tax	(VII - VIII)	47,421,530	51,586,654
X	Tax expense:			
	(1) Current tax		15,936,540	15,700,483
	(2) (Excess)/Short provision of tax relating to earlier years		(475,835)	48,750,186
	(3) Deferred tax liability/(Assets)		(5,756,175)	15,794,683
XI	Profit(Loss) from the period from continuing operations	(IX-X)	37,717,000	(28,658,698)
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)	37,717,000	(28,658,698)
XVI	Earning per equity share:	32		
	(1) Basic		1.26	(0.96)
	(2) Diluted		1.26	(0.96)

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)
Partner
Membership No. : 501559

Place : New Delhi
Dated : 1st September, 2016

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

(Shravan Gupta)
Director
DIN : 00002707

(Arūn Mitter)
Director
DIN : 00022941

(Assistant Company Secretary)

M.No. 36044

MGF Developments Ltd.
Cash Flow Statement for the year ended March 31, 2016

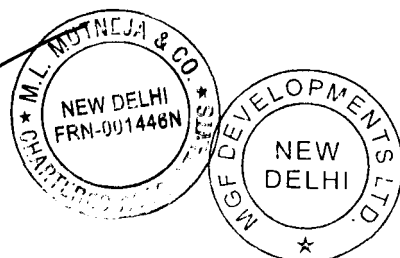
	As at 31st March, 2016	As at 31st March, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation, and extraordinary item	47,421,530	51,586,654
Adjustment for :		
Depreciation & Amortisation	20,576,518	22,836,443
Loss / (Profit) on sale of fixed assets	-	(10,433,749)
Loss / (Profit) on sale of investments	-	(600,000)
Interest Expense	45,548,975	50,562,651
Interest Income	(15,894,640)	(10,440,031)
Provision for employee leave encashment	1,099,118	820,810
Leave Salary Paid	(820,810)	(578,301)
Provision for Gratuity	291,577	289,182
Operating profit before working capital changes	98,222,269	104,043,660
Adjustments for :		
(Increase)/Decrease in Inventories	(59,774,658)	206,820,702
(Increase)/Decrease in Trade and other Receivables	92,825,986	(387,764,587)
Increase/(Decrease) in Trade and Other Payables	(2,535,978)	109,885,225
Increase/(Decrease) in Provisions	(184,847,411)	64,430,349
Cash generated from operations	(154,332,062)	(6,628,311)
Less - Direct taxes paid	15,460,705	64,450,669
Net Cash From Operating Activities	(71,570,498)	32,964,680
B. CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES		
Sale of fixed assets (net)	-	15,350,000
(Purchase) of fixed assets (net)	(732,877)	(182,190)
(Purchase) of Investments (net)	(263,666,250)	26,122,138
Interest Income	15,894,640	10,440,031
Net Cash From Investing Activities	(248,504,487)	51,729,979
C. CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES		
Proceeds from issue of share capital	29,882,535	-
Proceeds from Security Premium on issue of share capital	107,577,126	-
Proceeds/(Repayments) form/of Borrowings (Net)	142,968,051	40,091,101
Interest Paid	(45,548,975)	(50,562,651)
Net Cash From Financing Activities	234,878,736	(10,471,550)
Net increase/(decrease) in Cash and Cash Equivalents	(85,196,249)	74,223,109
Cash and Cash Equivalents as at April 1,	153,420,663	79,197,554
Cash and Cash Equivalents as at March 31,	68,224,414	153,420,663

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.Mutnēja & Co.
Chartered Accountants

(Sangeet Jagyasi)
Partner
Membership No. : 501559



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

(Shravan Gupta)
Director
DIN : 00002707

(Arun Mitter)
Director
DIN : 00022941

(Assistant Company Secretary)
M.No. 36044

Place : New Delhi
Dated : 1st September, 2016

MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2016**1. Share Capital**

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Authorized shares 600,00,000 (Previous Year 300,00,000) Equity Shares of Rs 10 each	600,000,000	300,000,000
Issued, Subscribed and fully paid shares Fully Paid Equity Shares 298,82,535 (Previous Year 298,82,535) Equity Shares of Rs 10 each fully paid-up	298,825,350	298,825,350
Subscribed but not fully paid 298,82,535 (Previous Year Nil) Equity Shares of Rs 10/- each i) Rs. 1/- per share Called and Paid-up	29,882,535	-
Total	328,707,885	298,825,350

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 year ended on 31st March, 2016

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.

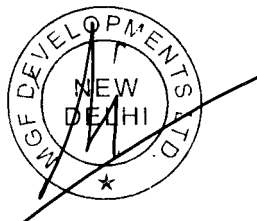
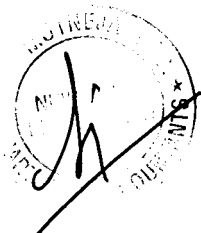
iii) As per records of the company, the above shareholding represents both legal and beneficial ownerships of shares.

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

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
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	For the Year ended March 31, 2016	For the year ended March 31, 2015
NIL		



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2016**d) Details of shareholders holding more than 5% shares in the Company***

Particulars	% Share-holding	No of Shares as at March 31, 2016	% Share-holding	No of Shares as at March 31, 2015
Shravan Gupta	6.78%	4,053,649	13.57%	4,053,649
Discovery Estates Pvt. Ltd.	23.41%	13,992,346	13.56%	4,051,501
Fairbridge Holdings Limited	3.09%	1,844,750	6.17%	1,844,750
Vishnu Apartments Pvt Ltd	33.33%	19,921,690	33.34%	9,960,845
SSP Aviation Ltd.	33.33%	19,921,690	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	For the Year ended March 31, 2016	For the year ended March 31, 2015
Opening number of issued, subscribed & paid-up equity shares	29,882,535	29,882,535
Opening amount of issued, subscribed & paid-up equity share capital (Rs)	298,825,350	298,825,350
Add : Number of equity shares issued during the reporting period	29,882,535	-
Add : Amount of partly paid equity shares issued during the reporting period (Rs)	29,882,535	-
Closing number of issued, subscribed & paid-up equity shares	59,765,070	29,882,535
Closing amount of issued, subscribed & paid-up equity shares capital (Rs)	328,707,885	298,825,350



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2016**2. Reserve & surplus**

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Securities premium account	271,170,126	163,593,000
General reserve		
Balance as per last account	32,439,195	32,439,195
	32,439,195	32,439,195
Surplus / (Deficit) in the statement of profit and loss		
Balance as per the last financial statement	866,744,606	895,403,304
Add: profit / (loss) for the year	37,717,000	(28,658,698)
Net surplus in the statement of profit & loss	904,461,606	866,744,606
Total reserve & surplus	1,208,070,927	1,062,776,801

3. Long Term Borrowings

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Secured		
Financial Institutions	469,316,788	286,806,016
Vehicle Loan from Bank	-	75,843
Unsecured Loans from Related Parties		
Directors	4,240,000	4,240,000
Inter Corporate Deposit (Interest Free)	69,585,028	51,055,901
Unsecured Loans from Others		
Other Inter Corporate Deposit (Interest Free)	620,650,000	704,950,000
	1,163,791,816	1,047,127,759
Less:- Amount disclosed under Other Current Liability as current liability (repayable within 12 months)		
Current maturities of Loans from Financial Institution	(40,102,183)	(96,759,141)
Current maturities of Vehicle loans	-	(75,843)
	(40,102,183)	(96,834,984)
Total	1,123,689,633	950,292,776



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2016**4. Deferred tax liability**

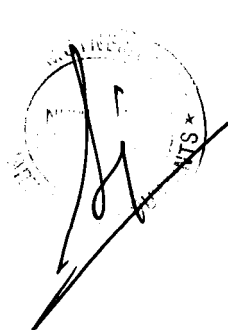
Particulars	For the Year ended March 31, 2016		For the year ended March 31, 2015
Deferred tax liabilities	118,148,531		102,353,848
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(5,756,175)		15,794,683
Gross deferred tax liability	112,392,356		118,148,531
Net deferred tax liability / (asset)	112,392,356		118,148,531

5. Other Long Term Liabilities

Particulars	For the Year ended March 31, 2016		For the year ended March 31, 2015
Security Deposits from Customers	102,231,275		108,559,013
Security Deposits - Others	700,000,000		700,000,000
Total Non Current Liabilities	802,231,275		808,559,013

6. Long Term Provisions

Particulars	For the Year ended March 31, 2016		For the year ended March 31, 2015
Provision for Employee Benefit	2,636,722		2,345,145
Total Long Term Provision	2,636,722		2,345,145

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MGF DEVELOPMENTS LTD.

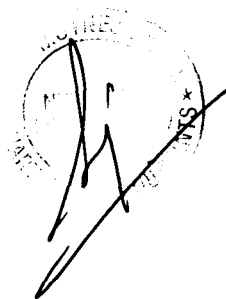
CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2016**7. Short Term Borrowings**

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Unsecured		
Bank Overdraft		
Bank of India O.D.A/c - 600127110000003	-	100,947,672
	-	100,947,672
Unsecured Loans from Related Parties		
Inter Corporate Deposit (Bearing Interest)	76,300,000	77,281,135
Unsecured Loans from Other Parties		
Inter Corporate Deposit	71,500,000	-
	147,800,000	77,281,135
Total	147,800,000	178,228,807

8. Trade Payable

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Trade payables		
- others		
Trade Payable for Services	17,510,530	107,539,918
Trade Payable Project	159,831,323	175,066,978
	177,341,853	282,606,896
Total trade payables	177,341,853	282,606,896



MGF DEVELOPMENTS LTD.

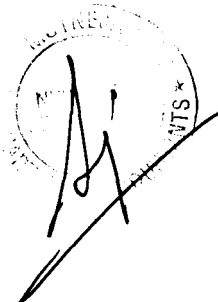
CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2016**9. Other Current Liabilities**

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Current maturities of Loans from Financial Institution	40,102,183	96,759,141
Current maturities of Vehicle loans	-	75,843
Booking Advances from Customers	546,677,187	454,571,560
Book Overdebts	6,938,542	7,920,374
Due to Joint Ventures	747,830,969	784,056,752
Trade Payable for Capital Goods	13,609,385	13,609,385
Other Payable	496,138,857	402,565,760
Advances for CAM & Electricity - Vilas	20,388,332	-
Advances from Tenants	339,198	588,743
Duties & Taxes		
Income Tax	3,344,226	5,858,269
Service Tax	4,962,702	2,699,139
WCT	-	2,662,634
Provident Fund	92,820	-
Total Current Liabilities	1,880,424,402	1,771,367,599

10. Short Term Provisions

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Provision for taxation	134,875,919	319,714,974
Provision for wealth tax	-	8,356
Provision for Leave Salary	1,099,118	820,810
Total Short Term Provision	135,975,037	320,544,140



MGF DEVELOPMENTS LIMITED

CIN : U74899DL1996PLC081965

SCHEDULE OF FIXED ASSETS AS ON 31ST MARCH, 2016

NOTE 11 : - Tangible Assets

	Gross Block				Depreciation					Net Block		
	As at 01.04.15	Additions	Sales / Deletion	As at 31.03.16	As at 01.04.15	For the Period	Reversal of Depreciation during the year	Adjustment for the Year	Net Depn. As on 31/03/2016	As at 31.03.16	As at 31.03.16	As at 31.03.15
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.
Building	-	-	-	-	-	-	-	-	-	-	-	-
Plant & Machinery	14,635,000	572,477	-	15,207,477	11,584,832	696,685	-	-	12,281,517	12,281,517	2,925,960	3,050,168
Furniture & Fixtures	15,998,237	-	-	15,998,237	14,612,460	460,061	-	-	15,072,521	15,072,521	925,716	1,385,777
Vehicles	38,473,567	-	-	38,473,567	34,547,139	1,127,849	-	-	35,674,988	35,674,988	2,798,579	3,926,428
Office Equipment	5,004,543	-	-	5,004,543	4,741,850	12,458	-	-	4,754,308	4,754,308	250,235	262,693
Leasehold Improvements	7,149,851	-	-	7,149,851	2,719,907	212,290	-	-	2,932,197	2,932,197	4,217,654	4,429,944
Computer	11,171,808	160,400	-	11,332,208	10,428,986	174,345	-	-	10,603,331	10,603,331	728,877	742,822
TOTAL	92,433,006	732,877	-	93,165,883	78,635,174	2,683,688	-	-	81,318,862	81,318,862	11,847,021	13,797,832
Previous Year	102,862,900	182,190	10,612,084	92,433,006	78,499,502	6,209,800	(378,295)	5,695,833	78,635,174	78,635,174	13,797,832	24,363,398

Note 12 : - Intangible Assets

	Gross Block				Depreciation					Net Block		
	As at 01.04.15	Additions	Sales / Deletion	As at 31.03.16	As at 01.04.15	For the Period	Reversal of Depreciation during the year	Adjustment for the Year	Net Depn. As on 31/3/2016	As at 31.03.16	As at 31.03.16	As at 31.03.15
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.
Trade Marks	5,517,050	-	-	5,517,050	4,454,731	458,561	-	-	4,913,292	4,913,292	603,758	1,062,319
Computer Software	1,926,994	-	-	1,926,994	1,830,644	-	-	-	1,830,644	1,830,644	96,350	96,350
TOTAL	7,444,044	-	-	7,444,044	6,285,375	458,561	-	-	6,743,936	6,743,936	700,108	1,158,669
Previous Year	7,444,044	-	-	7,444,044	5,574,880	806,845	(96,350)	-	6,285,375	6,285,375	1,158,669	1,869,164

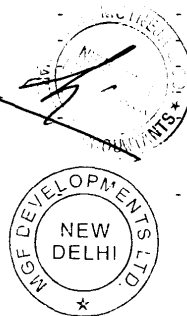


MGF DEVELOPMENTS LIMITED
CIN : U74899DL1996PLC081965

Note 13 : Details of Investments for the year ended 31st March 2016

UNITS

Particulars	Face Value	As on	Additions	Deductions	As on	31.03.2016	31.03.2015
		01- April-15	during the year	during the year	31- Mar-16		
		No(s)	No(s)	No(s)	No(s)		Rs.
A. NON CURRENT INVESTMENTS							
a) <u>Long term trade investments (at cost), in companies under same management (Unquoted)</u>							
<u>Investment in Equity Instruments</u>							
I) Subsidiaries							
Crimson 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
Salar Promoters Pvt Ltd	10.00	5,000	-	5,000	0	-	50,000
Samisthi Real Estate Pvt Ltd	10.00	10,000	-	-	10,000	100,125	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 Appartments Private Limited	10.00	365,000	-	-	365,000	3,750,175	3,750,175
EMAAR MGF Land Limited	10.00	371,318	-	-	371,318	18,930,536	18,930,536
EMAAR MGF Land Limited	Bonus	63,000	-	-	63,000	-	-
Hamptons 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	-	2,500,000	25,031,250	12,500,000
Aryan Life Style Private Limited	10.00	640,000	-	-	640,000	6,400,000	6,400,000
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
SSP 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
III) Joint Ventures							
North Delhi Metro Mall Private Limited (formerly known as MGF Metro Mall Pvt. Ltd.)	10.00	17,149,794	-	-	17,149,794	171,739,140	171,739,140
Other Investments							
In Paintings and Sculptures						76,005,923	76,005,923
Grand Total		22,614,202	1,250,000	5,000	23,859,202	342,302,219	329,820,969



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2016**14. Long Term Loans & advances**

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Unsecured, considered good		
Capital Advances :-		
Advance Against Land	216,935,452	163,875,995
Security Deposits	246,251,153	244,747,163
Other Loans & Advances :-		
Due From Joint Venture Units against collaborations	2,091,954,897	2,242,683,559
Inter-corporate Deposit Interest Free - Related Parties		
Associates	119,419,636	189,437,574
Inter-corporate Deposit Interest Free - Others	79,100,000	-
Total Long Term Loans & Advances	2,753,661,138	2,840,744,291

15. Other Non Current Assets

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Fixed Deposits with maturity more than 12months	5,650,878	5,643,249
Total Other Non-Current Assets	5,650,878	5,643,249

16. Current Investment

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Inter-corporate Deposit Interest Free - Related Parties		
Associates	125,285,000	123,935,000
Inter-corporate Deposit Interest Free - Other Parties		
	286,974,026	37,139,026
Total Other Current Investment	412,259,026	161,074,026



MGF DEVELOPMENTS LIMITED

Note 17 : Details of Inventories for the year ended 31st March 2016

Particulars	As at 31st March, 2016		As at 31st March, 2015	
1 Work-in-progress (As taken Valued and Certified by the Management)				
1a) Construction Work in Progress				
Opening Balance	342,655,434.81		446,736,286.81	
Add : Proportionate Cost of work done during the year	192,356,623.29		309,548,083.00	
	535,012,058.10		756,284,369.81	
Less : Cost of construction charged to Profit & Loss Account	132,581,965.00		413,628,935.00	
Closing Balance		402,430,093.10		342,655,434.81
1b) Land at Kherki Daula		33,967,664.00		33,967,664.00
Work-in-progress Rs.		436,397,757.10		376,623,098.81
2 Finished Stock				
2a) (As taken Valued and Certified by the Management)				
Closing Inventory of Built-up shops	435,748,455.00		490,708,464.00	
Add: Purchase of Area in Metropolitan Mall - Gurgaon from Columbia Holdings Pvt Ltd	-		61,908,558.00	
	435,748,455.00		552,617,022.00	
Less: Cost of Sale Charged to P&L (for Saket Units)	-		116,868,567.00	
Less : Accumalated Depreciation	79,215,715.02	356,532,739.98	70,073,849.92	365,674,605.08
			9,141,865.10	
2b) Investment Project - Wazirpur	6,517,793.00		10,397,785.00	
Add : Additions additions during the year	-		-	
	6,517,793.00		10,397,785.00	
Less: Amortisation	3,879,992.00	2,637,801.00	3,879,992.00	6,517,793.00
2c) Investment Project - Qutab				
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 : Accumalated Amortisation	42,282,490.75	172,084,061.25	37,870,078.75	176,496,473.25
Finished Stock Rs.		531,254,602.23		548,688,871.33
Grand Total		967,652,359.33		925,311,970.14

* 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.

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Notes to financial statement for the year ended March 31, 2016**18. Trade Receivables**

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Outstanding for a period exceeding six months from the date they are due for payment		
Un-secured, considered good	250,287,948	169,988,219
	250,287,948	169,988,219
Total (A)	250,287,948	169,988,219
Other receivables		
Un-secured, considered good	236,563,586	85,298,654
Total (B)	236,563,586	85,298,654
Total Trade Receivable (A+B)	486,851,533	255,286,873

19. Cash and Cash Equivalents

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Balances with banks		
in current accounts	48,578,378	123,401,344
in fixed deposits with maturity upto 3 months	2,829,955	3,796,500
cheques, drafts on hand	-	13,590,000
Cash and cash equivalents		
Cash on hand	5,076,972	5,112,499
Total (A)	56,485,305	145,900,342
Other bank balance		
Deposits with Maturity Period		
of more than 3 months but upto 12 months	11,739,110	7,520,321
of more than 12 months	5,650,878	5,643,249
	17,389,988	13,163,570
Less:- Amount disclosed under non-current assets	(5,650,878)	(5,643,249)
Total (B)	11,739,110	7,520,321
Total Cash and Cash Equivalents (A+B)	68,224,414	153,420,663



MGF DEVELOPMENTS LTD.

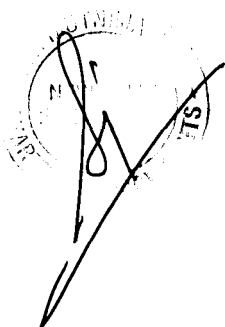
CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2016**20. Short Term Loans & advances**

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Unsecured, considered good		
Loan & Advance to Related Parties		
Booking Advance - Related Party	263,000,000	263,000,000
Loan & Advance to Others		
Business Advances	47,080,865	49,180,000
Advances To Suppliers	2,300,492	219,793
Advances Given to Staff	30,000	106,000
	312,411,357	312,505,793
Total	312,411,357	312,505,793

21. Other Current Assets

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Income Tax Paid	112,883,299	297,496,069
Interest Receivable	1,507,652	1,486,907
Service Tax Input Credit	5,288,186	9,958,777
Prepaid Expenses	4,421,341	316,568
Other Receivables	433,609,557	485,672,400
Total other current assets	557,710,035	794,930,721



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Notes to financial statement for the year ended March 31, 2016**22. Revenue from operations**

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
a) Sales	366,526,577	327,239,361
b) Rent	114,382,346	225,253,167
c) Other Operating Revenue:-		
Electricity & Water Receipts	21,649,218	9,435,183
Land filling and Leveling Charges	-	132,600,000
Maintenance Income	27,598,084	7,561,948
Transfer Charges	7,241,681	8,354,272
	56,488,983	157,951,403
Revenue from operations (net)	537,397,905	710,443,930

23. Other Income

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Interest Income	15,894,640	10,440,031
Miscellaneous Income	23,060,455	88,517,440
Total Other Income	38,955,095	98,957,471

24. Cost of Materials Consumed

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Cost of Material Consumed	132,581,965	413,628,935
Total Cost of material Consumed	132,581,965.00	413,628,935.00

25. Purchase of Stock-in-Trade

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Purchase of Stock-in-Trade	-	61,908,558
Total Purchase of Stock-in-Trade	-	61,908,558



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Notes to financial statement for the year ended March 31, 2016**26. (Increase) / Decrease in Inventories**

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Closing stock		
- Finished goods	531,254,602	548,688,871
- Depreciation for the year	17,434,269	16,294,443
	548,688,871	564,983,315
Opening stock		
- Finished goods	548,688,871	667,723,165
	548,688,871	667,723,165
Total (Increase) / Decrease in inventory	-	102,739,850

27. Employee benefit expenses

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Salary & Other Allowances	16,834,256	18,033,045
Contribution to PF	1,076,285	1,338,860
Staff Welfare Expenses	206,543	183,293
Total	18,117,084	19,555,198

28. Finance cost

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Interest Charges on Term Loans	27,805,666	30,593,851
Interest Charges OD	8,237,783	12,415,949
Interest Charges on ICD	6,506,577	6,935,720
Bank Charges	2,998,949	617,131
Total	45,548,975	50,562,651



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Notes to financial statement for the year ended March 31, 2016**29. Depreciation & Amortisation**

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Depreciation	12,284,114	14,430,901
Amortisation	8,292,404	8,405,543
Total	20,576,518	22,836,443

30. Other Expenses

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Power & Fuel	29,835,227	15,545,252
Rent	13,681,487	18,029,678
Repair & Maintenance Building	3,515,011	1,681,728
Repair & Maintenance Plant & Machinery	3,068,796	1,160,586
Insurance Charges	699,493	162,701
Rates & Taxes	16,883,879	8,050,741
Compensation, Rebate & Discount	187,602,893	-
Miscellaneous Expenses	11,940,077	29,547,361
Legal & Professional Charges	23,731,968	9,609,920
Facility Management Services	10,683,845	-
Security Expenses	14,439,471	6,326,818
Tours and Travelling	6,448,639	6,191,172
Total other expenses	322,530,785.96	96,305,956.34

31. Exceptional Items

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Profit on Sale of Investments	-	600,000
Profit on Sale of Assets	-	10,433,749
Revenue from Operation	(37,023,253)	(18,376,168)
Cost of Material Consumed	47,447,111	17,065,265
Total Other Income	10,423,858	9,722,846

32. Earning per share (EPS)

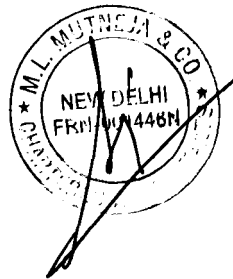
Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Net profit/(loss) for calculation of basic /diluted EPS	37,717,000	(28,658,698)
Weighted average number of equity shares in calculating basic & diluted EPS	29,882,535	29,882,535
Basic / diluted EPS (in Rs.)	1.26	(0.96)



MGF DEVELOPMENTS LIMITED**Note : 4**

In Accordance with accounting standard (AS - 22) "Accounting for Taxes on Income issued by Institute of Chartered Accountants of India the Company has recognised in the Profit & Loss Account the deferred tax Asset / Liability for the year ended 31st March, 2016 as under:

Particulars		Amount	Total
WDV as per Income Tax Act	(A)	201,199,152.00	201,199,152.00
WDV as per Companies Act			
Tangible Assets		11,847,020.98	
Intangible Assets		700,108.48	
Leased Shop		356,532,740.00	
Investment Project - Qutab	(B)	172,084,061.00	541,163,930.46
Difference	(A - B)		339,964,778.46
Tax @ 33.06%			112,392,356.00
Opening Deferred Tax Liability			118,148,530.53
Deferred Tax Liability / (Assets) for Current Year			(5,756,175.00)



NOTE 33 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31.03.2016

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 matters given in all the notes on accounts as certified by the directors/management given herein.

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 and specified in Schedule II of Companies Act 2013.

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, though not valued by any expert.

4. Inventories

a) 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.

b) Inventories has been physically verified, taken & valued by the management at cost / on the basis of Percentage of works completed at site, as earlier..

c) The current inventory is after transfer of the part of the built up property of the company of 4,00,656.18 sq. ft. as per collaboration agreements, free of charges. Besides a compensation of Rs. 1.00 cr (one crore) was also given to a collaborator on settlement of accounts. This area was not considered as saleable area



while calculating cost of construction and the entire cost of construction has been charged to the net area received by the company, that can be sold by it.

- d) 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.
- e) Constructed properties** held as current assets are valued at cost less depreciation as in earlier year. Cost is the proportionate amount based on the attributable/actual project cost and overheads directly attributable thereon.
- f) Properties given on lease** are valued at cost less accumulated depreciation.
- g) It is not practicable** to ascertain their market value / circle rates. However, the estimated market value of the inventories has never been lower than the cost so far.
- h) 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. This term will end on 30.09.2016.
- i) 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.

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.

Details of such agreements are too large to be stated here. The management will supply it as and when required by any person or under any law.

5. Revenue Recognition

- a) Revenue is recognized** on sold areas only and in case of built up or under construction 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 :
 - i) The buyer’s agreement is signed.
 - ii) The buyer’s investment is adequate to demonstrate a commitment to pay for property.
 - iii) 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.
- b) The sales have been accounted for** on offer to customers for possession basis upto 31.03.2016, whether possession is given or not. The rest is unsold inventory with the company.
- c) 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 less rebate allowed, if any and amount received proportionately.



- d) Net Sales of Rs. 6.66 Crores (P.Y. 6.59 Crores) is deemed sale of properties (after cancellation of units) as per AS-7, on which revenue is recognized.
- e) The company had sold a property to a related company, in financial year 2012-13 at Rs. 5,74,59,500/- vide endorsement of property documents. A part of the same has been reversed as sale return as the other party has surrendered the same in this financial year at proportionate price of Rs. 3,94,26,030/-. Its cost has been treated as a part of cost of construction of the project. This has been shown under the head exceptional items in the statement of Profit & Loss Account.
- f) 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.
- g) 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. Its maintenance rights & obligations have been given to another company, M/s MGF Estates Management P. Ltd (Related Party). Its events management rights and obligations have been given to another company i.e. M/s MGF Promotion & Events Pvt. Ltd (Related Party). 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.
- h) Interest due on delayed payments by customers is accounted for on receipts basis due to uncertainty of recovery of the same.
- i) 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.
- j) Preferred location charges, car parking charges and club membership fees are treated as part of sale consideration.
- k) Interest on FDR has been recognized as per the terms of FDR.
- l) The company has allowed the rebate of Rs. 26.00 Lakhs on the agriculture land filling and leveling works carried out in last financial year. This is shown under the head 'compensation rebate & discount'.

6. Cost of Sales

- a) 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. 5(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. This cost is calculated on the basis of budgeted costs as revised from time to time.
- b) In case of differences in areas of the properties handed over to the customers, the same are accounted for on the basis of actual measurements and their income and additional budgeted cost is accounted for in the year of such delivery, while their sales are accounted for in the year when their possession is offered to the customers.



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.
- e) The investments are treated as current or non-current on the basis of intentions of the management.
- f) All the investments, loans and advances are for business and are interest free.

8. Provision for Current Tax and Deferred tax

- a) **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.
- b) **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.

9. Borrowing Cost

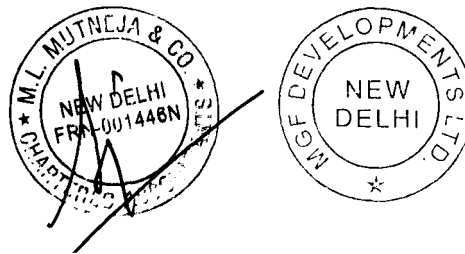
Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial time to get ready for its intended use. All other borrowing costs are charged to statement of profit & 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.13.16(B)

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 proportionately. As the new shares were allotted on 22.03.2016, the same have been ignored, as their period is negligible.

12. Provisions, Contingent Liabilities and Contingent Assets

- a)** 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.
- b)** 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 31.03.2016 are enclosed.
- c)** Security/Performance Guarantees provided to various Government authorities/others Rs. 468.78Lakhs (Previous year Rs. 399.50Lakhs)
- d)** The company has not given any guarantee in favour of any third party.
- e)** 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. No provision has been made for such liabilities in accounts.
- f)** 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.



MGF DEVELOPMENTS LIMITED
Regd. Office : MGF House, 17-B, Asaf Ali Road, New Delhi – 110 002
CIN: U74899DL1996PLC081965 E-Mail: tax@mgfindia.com

g) The Contingent liability of Rs. 82.94 Lakhs (P.Y. : Rs.82.94Lakhs) plus interest in case of Service Tax Demand made by Service tax Department for which appeals are Pending with higher authorities. The company has also received a show cause notice in service tax matters.

h) Outstanding Income Tax demands as per Income Tax Website and their status are as under:

A.Y.	O/s demand (Subject to Interest) (Amount in Rs.)	U/S	Appeal Filed with /Status	Provision Made in the Books (Amount in Rs.)	No Provision made in the Books (Amount in Rs.)
2003-04	143,316	143(1)	The company has not made/ not intended to make any application/appeal for it.	339,659	---
2009-10	55,90,693	143(3)	CIT(Appeals) had passed its order partly in favour of the company. ITAT has submitted the case back to AO for fresh adjudication.	---	55,90,693
2009-10	6,59,718	220(2)		---	6,59,718
2010-11	2,055,570	143(3)	The matter is pending with CIT(Appeals).	---	2,055,570
2010-11	7,12,820	271(1)(c)	-do-	---	7,12,820
2011-12	40,008,700	143(1)(a)	The company has not made/ not intended to make any application/appeal for it.	48,410,527	---
2012-13	142,630	143(1)(a)	The matter is pending under block assessment.	---	1,42,630
Total				4,87,50,186	91,61,431

All above are subject to appeals, rectifications and interests.

i) The re-assessments of the income tax cases of the company of assessment years 2009-10 to 2015-16 are under progress u/s 153A of Income Tax Act, 1961.

j) Commitment against purchase of properties from related parties is Rs.57.00crores (P.Y. Rs. 53.22crores).

k) Jalandhar Project :

- i) The company had conditionally transferred its under construction projects at Jalandhar in F.Y. 2007-08.
- ii) 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 Security Deposit. The company may have to face liabilities for the same, so it is being continued. The auditors are unable to verify it.

l) Amritsar project :

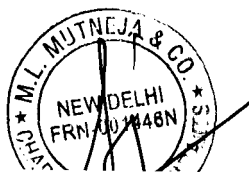
Amritsar Project has been held up due to objection by Archeological Survey of India, and matter is pending with Hon'ble Punjab & Haryana Court.

m) As per the records of the company, there are no other contingent liabilities



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 sales have been recognized in cases where the company offered the physical possession of the area, though the sale deeds are yet to be registered in favour of buyers.
- 13.2** Cash Flow Statement as required u/s 2(40) of the Companies Act, 2013 is enclosed as part of financial statements.
- 13.3** The company has issued 2,98,82,535 equity shares of Rs. 10/- each @ premium of Rs. 36/- each. Out of it company received share capital @ Re. 1.00/- (rupee one) per share and share premium @ Rs. 3.60/- per share. The balance is pending.
- 13.4 Board of directors confirms :**
- a) that in the preparation of the annual accounts for the financial year ended 31st March 2016 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; read with all these notes on accounts.
- 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; though some records are under preparation.
- 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'.
- 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.
- l)** Budgets of cost of construction have been prepared by technical experts and are being revised from time to time to match actual costs as on close of each year.
- m)** The inventory includes work in progress of inventories is taken on physical verification basis, taken and valued by the management on the basis of percentage of works completed at sites. The actual measurements differ from time to time.
- n)** The assets and investments have been classified as current or non-current on the basis of intentions of the management, where there were no such specific agreements or the agreement period is not achievable.

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.

- 13.5** 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. 17/08/2016 that the company law matters of 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.
- 13.6** The company has not purchased its own shares, as specified u/s 69(1) of the Companies Act, 2013 during the year.
- 13.7** 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.
- 13.8** 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 31-03-2016 & 31.03.2015 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.
- 13.9** 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.

- 13.10** There are no payments, relating to any expenditure covered under Section 40A, exceeding Rs. 20,000 (in case of transporters Rs35,000) made otherwise than by an account payee cheque/bank draft. However, in the absence of actually paid cheques. Similarly there were no receipts & payments in cash for property transactions u/s 269SS & 269T of Income Tax Act, 1961. It is not possible for auditors to verify whether



MGF DEVELOPMENTS LIMITED

Regd. Office : MGF House, 17-B, Asaf Ali Road, New Delhi – 110 002

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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.

- 13.11** In case of loans and advances taken and given, all such receipts and payments were by 'Account Payee' crossed Cheques / Bank Drafts/Pay Orders as required under Income Tax Act, 1961 and rules made thereunder. (Not verified by auditors as issued / received cheques are with banks).
- 13.12** 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, from directors and on joint venture accounts. Formal agreements are pending for such deposits and joint ventures.
- 13.13** No personal expenses of any director of the company have been charged to the revenue account of the company, except as per their terms of appointment.
- 13.14** There have been following major events subsequent to the date of balance sheet affecting the financial position of the Company till date :

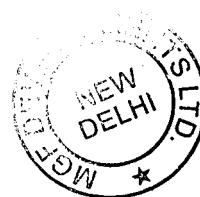
The Board of Directors of the Company at its meeting held on May 11, 2016, have approved the Scheme of Arrangement (Demerger) of Emaar MGF Land Limited under Section 391-394 of the Companies Act, 1956. The said Scheme has also been filed with the Hon'ble High Court of Delhi on May 16, 2016.

M/s Emaar MGF Land Limited is a joint venture entity of the Company and the said Scheme provides for the demerger of an undertaking, being part of the construction and development business of Emaar MGF Land Limited ("Demerged Company") to MGF Developments Limited ("Resulting Company"), and consequent issue of shares by the Resulting Company to the shareholders of the Demerged Company, except to the extent shares held by the Resulting Company in the Demerged Company. No impact of the same has been given to the financial statements, pending receipt of relevant approvals.

This will be carried out on the date yet to be fixed by the court.

- 13.15** (a) Short Term Borrowings includes inter-corporate deposits and are repayable on demand or on short notice of about 3 months and Long Term Borrowings includes interest free inter-corporate deposits from companies and a director. There are no formal agreements for the same, though there is such understanding.
- b) Current Investments which are readily realizable and intended to be held for not more than a year include interest free inter-corporate deposits with companies and Long Term Loans & Advances includes interest free inter-corporate deposits with companies, security deposit and joint venture. These deposits given are for business of the company. There are no formal agreements for the same.

The company has given interest free inter-corporate deposit, loan, made investments, guarantee & security given for the business of the company. Particulars of such are enclosed as per Annexure - I



13.16 (A) Loan from HDFC Ltd. of Rs. 45.00 Crores :

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

2. The loan is against the discounting of rent receivables from the lessees of the following commercial areas:-

Commercial Building	Commercial Area considered for Rental Discounting
MGF Metropolitan Mall, Gurgaon	1) 30,614.55 sq. ft. of commercial area in Ground and First Floors. 2) 3,014 sq. ft. of commercial area in Ground and Third Floors. 3) 8,475 sq. ft. of commercial area in Lower Ground, Ground and First Floors. 4) 11,750 sq. ft. of commercial area in Third and Fourth Floors.
MGF Metropolitan Mall, Saket	1) 33,601.36 sq. ft. of commercial area in Ground and First Floors.
Metropolis Mall, Gurgaon	1) 10,083 sq. ft. of commercial area in Ground.
Building No. A-27, Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi	1) 16,000 sq. ft. of commercial area in Ground.

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

4. This loan shall be repaid by way of 108 Equated Monthly Instalments as per the details given below:
a) 107 (One Hundred and Seven) Equated Monthly Instalments (EMI) of Rs.68,34,346/- each, w.e.f. 29.02.2016 followed by
b) 108th EMI of Rs. 65,56,326/- at the end of 108th month.

5. The loan is secured by:

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



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

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 has to make a repayment of this loan as a priority, payment over all its other lenders.
4. The term of repayment is 34 months. It is 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.

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 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. Shравan Gupta and Mrs Shilpa Gupta.



(C) Loan from HDFC Ltd. of Rs. 6.25 crores :

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

(D) Unsecured Loans from Related Parties :

There is no stipulation for the repayment of any unsecured loan in respect of related parties (interest free), subject to interest being paid to related party India Lease Development @ 8.50% p.a.

(E) Unsecured Loans from Others :

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.

13.17

(a) The company have incurred the following (a) expenses for the directors of the company for its business:

Expenses	Amount in Lakhs	
	F.Y. 2015-16	F.Y. 2014-15
Tour and Travelling	64.49	61.91
Car running and Maintenance	6.32	14.82
Business Promotion	10.56	11.80
Total	81.37	88.53

(b) The company has been paying rent for a residential property of Rs. 66.00 Lakhs to M/s Shanti Appeals Manufacturing Co. Private Limited (related party) during the year. (P.Y. Rs.16.50 Lakhs), for the use by the company.



13.18 Joint Venture Projects

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

- a) Members : MGF Developments Ltd. (50%) & Ansal Properties & Infrastructure Ltd. (50%)
 With the same ratio of investments, income, expenditure & cost.
- b) Terms of Joint Venture Project vide agreement dt. 02.09.2004 :
 - i) To Develop a commercial complex for a third party.
 - ii) 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.
 - iii) 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.
- c) In this year, the net income of the company, from the project was Rs. 1,64,55,768/-(P.Y. 1,70,27,710/-) .
- d) In the accounts, the income and expenditure on the above has been shown in respective heads of income and expenditure of the company.
- e) The company owes a sum of Rs. 2.50crores (P.Y. 2.54crores) to the other party as on 31.03.2016.

13.19 Employees Benefits : As per actuarial valuation, the liabilities of the company is as under : -
 Amount in Lakhs

For	As on 31.03.2016	As on 31.03.2015
Gratuity	26.37	23.45
Leave Encashment	10.99	8.21

13.20 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.

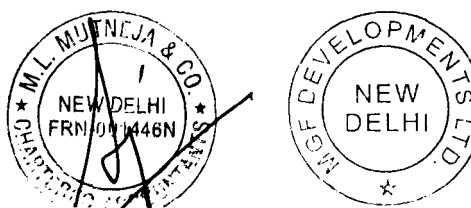
The balance sheet of the above partnership firms are not available for the financial year ended on 31.3.2015 and 31.03.2016. This is because disputes are going on amongst partners in various matters. These firms are being looked after by other partners only.

Amount receivables :

	Amount in lakhs	
Related Parties	As on 31.03.2016	As on 31.03.2015
MGF Mall Management	396.66	396.66
MGF Event Management	64.82	64.82

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

13.22 Cash in hand has been kept in the safe custody with directors of the company to meet any contingent expenditure.



13.23 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.

13.24 Key Managerial Personnel :

- a) 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.
- b) Mrs. Shilpa Gupta has ceased to be whole time director of the company w.e.f. 31.08.2016, but continues as a director of the company. Her resignation has been accepted by the Board of directors.
- c) The company does not have any managing director or Chief executive officer or manager or whole time director from 31.08.2016, as required u/s 203 of Companies Act, 2013.

13.25 The company has **written back** the following amount received from various parties in earlier years as under :

Amount in Lakhs			
S.No	Particulars	F.Y. 2015-16	F.Y. 2014-15
1.	Inter-Corporate Deposits	0	410.00
2.	Joint Venture	0	200.00
3.	Booking Advances	0	5.00
4.	Sinking Fund	0	38.81
5.	Trade Payable	201.01	8.88
6.	Security deposits	22.51	82.33
7.	Other Payables	2.45	139.99
	Total	225.97	885.01

13.26 The company has **written off** the following amounts receivable from various parties as detailed under, as the amount could not be recovered/adjusted :

Amount in Lakhs			
S.No	Particulars	F.Y. 2015-16	F.Y. 2014-15
1.	Trade Receivable	6.58	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
6.	Imprest	.25	---
	Total	6.83	153.20

13.27 Disclosure of Details of **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 :

(I) Key Managerial Personnel / Directors

Mr. Shravan Gupta	Director
Mrs. Shilpa Gupta	Whole time Director upto 30.08.2016, but continues as a director
Mr. Arun Mitter	Director cum Chairman
Mr. Rakshit Jain	Director
Ms. Nupur Jain	Company Secretary



(II) Detail of transactions entered into with related parties :

(In case the directors of this company have ceased to be directors in the other companies, where the transaction took place at that time, the same have not been shown in the above or otherwise, as related party balances.)

a) Long Term Borrowing includes :-

1. Interest Free deposit Rs. 42.40 Lakhs (P.Y. 42.40 Lakhs) from Mr. Arun Mitter, a director of the company for business purpose. (Maximum Balance 42.40 Lakhs). There is no transactions during the year.
2. Interest Free Inter-corporate deposits from related parties for business purpose.

Amount in Lakhs

Related Parties	Opening Balance	Paid /	Received /	Closing Balance	Maximum Balance
		Adjusted	Adjusted		
Divine Buildtech Pvt. Ltd.	76.99	--	50.00	126.99	126.99
* MGF Estates Management Pvt. Ltd.	50.67	19.56	169.27	200.37	204.69
MGF Promotion & Events Pvt. Ltd.	24.32	--	--	24.32	24.32
MGF Vehicle sales Pvt. Ltd.	15.00	--	--	15.00	15.00
MGF Securities Pvt. Ltd.	100.97	--	--	100.97	100.97
Mirdul Buildcon Pvt. Ltd.	57.61	57.61	--	--	57.61
Pavni Developers Pvt. Ltd.	--	--	43.20	43.20	43.20
Ram Prakash & Co. Pvt. Ltd.	100.00	--	--	100.00	100.00
Upper India Hire Purchase Co. Ass. Ltd.	85.00	--	--	85.00	85.00
Total	510.56	77.17	262.47	695.85	
Previous year	1117.93	736.79	129.42	510.56	

(*) This ICD includes Joint venture of Rs. 200.37 Lakhs (P.Y. Rs 50.67 Lakhs) taken for a prospective project of Estates with M/s MGF Estates Managements 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. In the meanwhile, the company is using these funds for its business, as earlier.

b) Short Term Borrowing includes Inter-corporate deposit from following related parties for business purpose.

Amount in Lakhs

Related Parties	Opening Balance	Paid /	Received /	Closing Balance	Maximum Balance
		Adjusted	Adjusted		
India Lease Developments Ltd. (Interest bearing @ 8.50% p.a.)	772.81	68.34	58.53	763.00	777.71
Yog Buildtech Pvt. Ltd. (Interest free)	--	262.65	262.65	--	260.00
Total	772.81	330.99	321.18	763.00	
Previous Year	763.00	52.22	62.03	772.81	



c) **Trade Payable** includes amount of Rs. 184.87 Lakhs due to related parties.

Related Parties
Metroplex Construction Pvt. Ltd.
MGF Mall Management

d) **Other Current Liabilities** owing to related parties includes : Amount in Lakhs

Particulars	As on 31-03-2016	As on 31-03-2015
1. Booking Advances received	609.64	2752.22
2. Other Payables	46.94	74.03
3. Advance for CAM & Electricity –Villa	2.55	---

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

Related Parties	Opening Balance	Amount in Lakhs		Closing Balance	Maximum Balance
		Paid / Adjusted	Received / Adjusted		
Avian Estates Pvt. Ltd.	47.00	47.00	--	--	47.00
Card Services India Pvt. Ltd.	551.82	--	100.00	651.82	651.82
SSP Aviation Ltd.	874.50	874.50	--	--	874.50
Motive Construction Pvt. Ltd.	---	---	10.00	10.00	10.00
Total	1473.32	921.50	110.00	661.82	
Previous year	1219.33	0.00	254.00	1473.32	

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, as earlier.

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) **Investments** with related parties :

- The company has sold 5000 equity shares @ Rs. 10 each of M/s Salar Promoters Pvt. Ltd to a related party, M/s Sahayog Buildtech Private Ltd at Rs 50,000/- in this year.
- The company has purchased 1250000 equity shares @ Rs. 10/- each of M/s VMR Promoters Pvt. Ltd, a related party, from M/s SSP Developers P. Ltd. at Rs. 1,25,00,000/- in this year, though book value is Rs.11.13 per share.
- Directors confirm that all the transactions of shares with related parties were at their fair market prices.
- Other old Investment in shares with related companies (Refer note no. 13)



f) 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 14.25crores has been made till 31.03.2016. 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. Advance against purchase of land : The company has entered into an unregistered agreement dt.Ch. 23.03.2016 to purchase the agricultural land from a whole time director of the company at a price of Rs. 9.40 crores, against which a payment of Rs 4.09 crores has been made till 31.03.2016. This agreement is executable by the parties within thirty six months from agreement to sell.

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

Amount in Lakhs

Related Parties	Opening Balance	Paid /	Received /	Closing Balance	Maximum Balance
		Adjusted	Adjusted		
Discovery Estates Pvt. Ltd.	1,287.73	188.00	601.38	874.35	1287.73
* Discovery Holdings Pvt. Ltd.	254.85	--	5.00	249.85	254.85
Emaar MGF Education Pvt. Ltd.	15.00	--	--	15.00	15.00
Pavni Developers Pvt. Ltd.	186.80	--	186.80	--	186.80
Soumya Promoters Pvt. Ltd.	55.00	--	--	55.00	55.00
(**)Aparna Buildcon Pvt. Ltd.	70.00	--	--	--	--
(**)Extol Buildcon Pvt. Ltd.	25.00	--	--	--	--
Total	1894.38	188.00	793.18	1194.20	
P.Y.	2334.67	754.20	1194.49	1894.38	

(*)This ICD includes Joint venture of Rs. 249.85 Lakhs (P.Y. Rs. 254.85Lakhs) 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.

(**) These companies have been transferred to non-related parties.

4. 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 is now under lease with this company at a lease rent of Rs. 5.50 Lakhs per month w.e.f 01.04.2015.



MGF DEVELOPMENTS LIMITED

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5. Advances given for prospective Projects in joint venture with related parties :

Amount in Lakhs

Related Parties	Opening Balance	Paid /	Received	Closing Balance	Maximum Balance
		Adjusted	Adjusted		
Motive Construction Pvt. Ltd	360.00	--	360.00	0.00	360.00
Pushpak Promoters Pvt.Ltd.	407.09	7.80	200.00	214.89	411.59
North Delhi Metro Mall Pvt. Ltd.	3555.88	115.00	--		
Kayo Developers Pvt. Ltd.	2862.35	1.00	--	2863.35	2863.35
SahayogBuildtech Pvt. Ltd	8,928.10	1.00	--	8929.10	8929.10
Shailvi Estates Pvt. Ltd.	712.75	--	--	712.75	712.75
SojanyaPromoters Pvt. Ltd.	171.00	--	--	171.00	171.00
VMR Promoters Pvt. Ltd.	298.38	--	--	298.38	298.38
YashasviBuildtech Pvt. Ltd.	2,041.55	--	--	2041.55	2041.55
Total	19337.10	124.80	560.00	18901.90	
P.Y.	19607.15	827.79	1096.84	19338.10	

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 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.

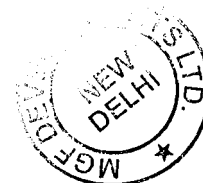
However the directors are hopeful of such projects to materialize after about a year or more. Formal agreements will be made at the time of finalization & execution of projects. The matter is under progress. The matter is reviewed periodically by all the parties concerned.

g) Current Investments includes Interest free Inter-corporate Deposits with Related Parties for business purpose.

Amount in Lakhs

Related Parties	Opening Balance	Paid /	Received /	Closing Balance	Maximum Balance
		Adjusted	Adjusted		
MGF Housing &Infrastructure P Ltd	0.20	1.00	--	1.20	1.20
MGF InfotechPvt Ltd	0.45	1.00	--	1.45	1.45
MGF Promoters Pvt. Ltd.	--	2.00	--	2.00	2.00
MGFProjects Pvt. Ltd.	--	2.50	2.50	--	2.50
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
Samishti Real Estate Pvt. Ltd. (wholly owned subsidiary Co.)	768.70	9.50	--	778.20	778.20
Total	1239.35	16.00	2.50	1252.85	
Previous Year	348.40	890.95	--	1239.35	

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



MGF DEVELOPMENTS LIMITED
Regd. Office : MGF House, 17-B, Asaf Ali Road, New Delhi – 110 002
CIN: U74899DL1996PLC081965 E-Mail: tax@mgfindia.com

h) Income from related parties : -

Related Parties	Amount in Lakhs	
	F.Y. 2015-16	F.Y. 2014-15
M/s Discovery Estates Private Limited :		---
- Sale	2729.25	---
- Common Area Maintenance	8.56	---
-Electricity Re-embursement	2.10	---
M/s Sareen Estates Private Limited :		
-Sale	143.48	---
Total	2883.39	---

i) Expenditure to related parties :-

Expenses	Amount in Lakhs	
	F.Y. 2015-16	F.Y. 2014-15
Rent Paid to M/s Shanti Apparels Manufacturing Co. Pvt. Ltd.	66.00	16.50
Rent Paid to M/s Columbia Holding Pvt. Ltd.	---	93.07
Interest Paid on ICD to M/s India Lease Development ltd.	65.03	68.92
Service Charges paid to Coniza Promoters Pvt. Ltd.	0.60	--
Service Charges paid to YogBuildtech Pvt. Ltd.	0.90	--
Service Charges paid to Satin Realtors Pvt. Ltd.	1.10	--
Service Charges paid to YashaviBuildtech Pvt. Ltd.	1.30	--
Total	134.93	178.49

j) Sale of Unit cancelled at cost of M/s Discovery Estates Pvt. Ltd. Rs. 158.39 Lakhs (P.Y. 158.39 Lakhs)

k) Trade Receivable includes amount of Rs. 3098.19 Lakhs (P.Y. 2102.03Lakhs) due from related parties.

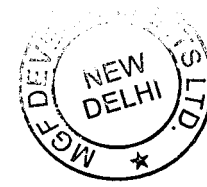
Related Parties			
1.	Divine Buildtech Pvt. Ltd.	6.	Saiesha Developments Pvt.Ltd.
2.	Moonlight Continental Pvt Ltd.	7.	Saiesha Projects Pvt. Ltd.
3.	Sareen Estates Pvt. Ltd.	8.	Triyug Projects Pvt.Ltd.
4.	Magnum Promoters Pvt. Ltd.	9.	Discovery Estates P.Ltd.
5.	PKN Trading Private Limited		

l) Short Term Loans & Advances includes advances given for booking of commercial space at Market Price of Rs. 2,630.00 Lakhs (P.Y. Rs. 2,630.00 Lakhs) against agreements at a price of Rs. 2,722 Lakhs to related parties.

m) Other Current Assets includes Other Receivables of Rs. 4336.10 Lakhs (P.Y. Rs. 4856.72 Lakhs)

Related Parties			
1.	Kerala Cars Pvt Ltd	5.	MGF Automobiles Ltd.
2.	Logistic BuildtechPvt Ltd	6.	SSP Developers Pvt. Ltd.
3.	Siddharth Gupta	7.	Shanti Apparels Manuf. Co. Pvt. Ltd.
4.	*Vishnu Apartments Pvt.Ltd.		

*Transactions with Vishnu Apartments Pvt. Ltd. are on current account for the business of the company (balance as on 31.03.2016 : Rs. 1058.72 Lakhs (P.Y. : Rs. 1452.58 Lakhs) , while the others were for sale and purchase of securities and fixed assets etc.



n) 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 @8.50% p.a (P.Y. 8.80%) on ICD.

o) Amounts due from/given to **Wholly owned subsidiary Companies :**

Amount in Lakhs

Companies	Opening Balance	Paid / Adjusted	Received / Adjusted	Closing Balance	Maximum Balance	Nature
Samisthi Real Estate Pvt Ltd	768.70	9.50	--	778.20	778.20	ICD
Crimpsom Holdings Pvt. Ltd	--	--	--	--	--	---
Total	3632.05	9.50	1.00	3640.55	3641.55	
P.Y.	2863.35	768.70	--	3632.05	3632.05	

p) The managerial remuneration to related parties has been paid. Detailed as under:

Amount in Lakhs

Particulars	F.Y. 2015-16	F.Y. 2014-15
Salary :		
Mr. Arun Mitter	--	6.00
Mrs. Shilpa Gupta	18.00	18.00
Employer Contribution of PF :		
Mr. Arun Mitter	--	0.72
Mrs. Shilpa Gupta	2.16	2.16
Total	20.16	26.88

q) The directors confirm that all the above transactions are not prejudicial to the interest of the company and were at arm's length prices except that all the deposits etc. were interest free but in the interest of the company.

r) There is no other transaction with any director / member or any other related party during the year.

13.28 Income & Expenditure in foreign Currency :

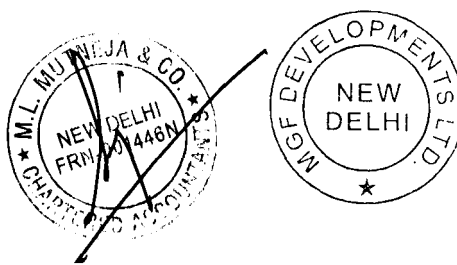
(i) There is no Income in Foreign Currency.

(ii) The Company has incurred Expenditure on Foreign travel of Rs. 38.19Lakhs (P.Y. Rs. 31.77 Lakhs) in foreign exchange during the year.

13.29 The auditor's remuneration during the year is as hereunder:

Amount in Lakhs

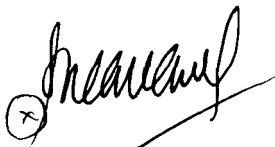
Particulars	F.Y. 2015-16	F.Y. 2014-15
Statutory Audit Fees	8.00	5.00
Tax Audit fees	1.50	1.50
Service Tax	1.38	0.80
Total	10.88	7.30



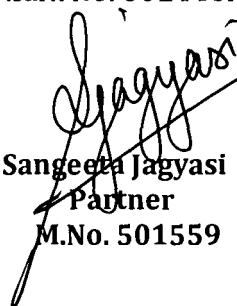
- 13.30** The audit has been conducted on test-check basis as per books of accounts, information & explanation given by the directors.
- 13.31** All the income & expenditure has been certified & verified by the directors of the company to be true & correct in all respects.
- 13.32** The accounts have been prepared by the directors and are certified by them to be true and correct as per their knowledge & belief. There are no such entries / statements / documents which is not believed by the Directors to be true and correct or based on any other person's explanation (including the auditors) /statement or documents as same has been verified by them properly. These notes clarify the various matters of accounts, financial matters and business of the company.
- 13.33** Previous year's figures/heads have been revised/re-grouped to make them comparable to current year wherever considered necessary.
- 13.34** These notes on accounts form integral part of Balance Sheet & Statement of Profit and Loss of the company of Financial Year 2015-16 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: 01.09.2016

For M.G.F. DEVELOPMENTS LTD.


COMPANY SECRETARY



Annexure - I

**FOLLOWING INTEREST FREE INTER-CORPORATE DEPOSITS GIVEN U/S 185 & 186
 AS ON 31.03.2016**

Long Term Loans & advances		Amount in Lakhs
Parties	As on 31.03.2016	As on 31.03.2015
Inter-corporate Deposit Interest Free - Related Parties		
Aparna Buildcon Pvt.Ltd.	-	70.00
Discovery Estates Pvt. Ltd.	874.35	1,287.73
Discovery Holdings Pvt. Ltd.	249.85	254.85
Emaar MGF Education Pvt. Ltd.	15.00	15.00
Pavni Developers Pvt. Ltd.	-	186.80
Soumya Promoters Pvt. Ltd.	55.00	55.00
Extol Buildcon Pvt. Ltd.	-	25.00
Inter-corporate Deposit Interest Free - Others		
Aparna Buildcon Pvt. Ltd.	70.00	-
Extol Buildcon Pvt. Ltd.	721.00	-
Total	1,985.20	1,894.38

Current Invesments		Amount in Lakhs
Parties	As on 31.03.2016	As on 31.03.2015
Inter-corporate Deposit Interest Free - Related Parties		
MGF Infotech Pvt Ltd	1.45	0.45
MGF Promoters Pvt Ltd	2.00	-
SSP Developers Pvt. Ltd.	50.00	50.00
Yashoda Promoters Pvt.Ltd.	298.00	298.00
MGF Housing & Infrastrue P Ltd	1.20	0.20
Salar Promoters Pvt.Ltd.	122.00	122.00
Samishti Real Estate Pvt.Ltd.	778.20	768.70
	-	-
Inter-corporate Deposit Interest Free - Others		
Espace Buildtech Pvt. Ltd.	1.40	0.90
Intra Chemicals & Drugs Pvt Ltd	258.98	258.98
SSP Buildcon Pvt. Ltd	177.31	111.51
PS Techno Systems Pvt. Ltd.	546.00	-
Initia Solutions Pvt. Ltd.	372.14	-
DTC India Ltd.	59.91	-
Zack Estates Pvt. Ltd.	561.00	-
Blossom Conbuild Pvt. Ltd.	335.00	-
Chirayu Propbuild Pvt. Ltd.	558.00	-
Total	4,122.59	1,610.74



NAME
ADDRESS

STATUS
ASSESSMENT YEAR
PREVIOUS YEAR
PERMANENT A/C NO.

MGF Developments Limited
17 B MGF House Asaf Ali Road
New Delhi
Company
2016-17
2015-16
AAACM 8146 J

COMPUTATION OF TAXABLE INCOME

PARTICULARS	AMOUNT RS.	AMOUNT RS.
INCOME FROM BUSINESS		
Profit/(Loss) as per Profit & Loss A/c	47,421,530	
Add :		
i) Depreciation as per Companies Act	12,284,114	
ii) Depreciation as per Companies Act (On Investment Project)	4,412,412	
iii) Donation	111,000	
iv) Provision for Leave Salary (Current Year)	1,099,118	
v) Provision for Gratuity (Current Year)	2,636,722	
vi) Interest on delayed payment of Taxes	1,035,573	
vii) I ROC Fee paid for Increase in Authorised Share Capital	2,711,737	
viii) Miscellaneous Amount Written Off debited to Profit and Loss Account	208,291	
	<u>71,920,497</u>	
Less:		
i) Gratuity Paid during the year	0	
ii) Payment of Leave Salary during the year	(103,333)	
iii) Depreciation allowable as per Income Tax Act	(23,616,349)	
		<u>48,200,815</u>
Business Income u/s 28		48,200,815
Gross Total Income Rs.		48,200,815
Less : Deduction U/s 80G Donation Rs. 1,11,000/- allowed @50% of Rs. 100000/- i.e. Rs.50,000/-		(50,000)
Total Taxable Income Rs.		48,150,815
Total Taxable Income (Rounded Off)		48,150,820
Tax on Total Income (incl Surcharge and Cess)		15,920,106
Less : Tax Deducted at Source		15,686,990
		<u>233,116</u>
Tax Due Rs.		233,116
Add: Interest U/s 234B & C		16,434
Tax Due Rs.		<u>249,550</u>
Less : Tax Paid U/s 140A		(249,550)
Balance Tax Payable Rs.		-



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MGF DEVELOPMENTS LIMITED

Schedule of Depreciation as per Income Tax Act for the year ended on 31st March, 2016

DESCRIPTION ASSET / BLOCK OF ASSETS	Rate of Dep	WDV As on 01.04.2015 (Rs)	ADDITIONS		DEDUCTIONS / SALE	TOTAL VALUE As on 31.03.2016	DEPRICIATION	WDV As on 31.03.2016 (Rs)
			More than 180 days (Rs)	Less than 180 days (Rs)	During the year (Rs)		Allowable for the year (Rs)	
Computers	60%	156,922	85,200	75,200	-	317,322	167,833	149,489
Intangible Assets	25%	655,277	-	-	-	655,277	163,819	491,458
Office Equipments	15%	1,143,635	-	-	-	1,143,635	171,545	972,090
Vehicles	15%	12,702,975	-	-	-	12,702,975	1,905,446	10,797,529
Plant & Machinery	15%	3,589,066	572,477	-	-	4,161,543	624,231	3,537,312
Shops Given on Lease	10%	212,182,035	-	-	-	212,182,035	21,218,204	190,963,831
Capex	10%	2,732,384	-	-	-	2,732,384	273,238	2,459,146
Office Building	10%	(14,781,561)	-	-	-	(14,781,561)	(1,478,156)	(13,303,405)
Furniture & Fixtures	10%	5,701,891	-	-	-	5,701,891	570,189	5,131,702
TOTAL		224,082,624	657,677	75,200	-	224,815,501	23,616,349	201,199,152

