



DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company is pleased to present its 21st Annual Report together with the Audited Financial Statements of the Company for the financial year ended March 31, 2017.

Financial Performance

The highlights of financial performance of your Company (on standalone basis) for financial year ended on March 31, 2017 are as under:

Particulars	(Amount in Rs.)	
	For the year ended 31 st March 2017	For the year ended 31 st March 2016
Revenue from Operations	232,543,446	537,397,905
Other Income	24,690,152	38,955,095
Total Revenue	257,233,598	576,353,000
Total Operating Expenditure excluding Interest, Depreciation and Amortization	199,560,008	518,778,810
Finance Cost	59,322,610	45,548,975
Depreciation and Amortization expenses	18,469,362	20,576,518
Total Expense	218,029,371	539,355,328
Profit / (Loss) before tax	43,460,466	47,421,530
Tax Expense / (Credit)	12,946,144	9,704,530
Net Profit / (Loss) for the year	30,514,322	37,717,000

As reported above, the total revenue during the financial year ended on March 31, 2017, stood at Rs. 257,233,598/- (Twenty-Five Crore Seventy-Two Lakh Thirty-Three Thousand Five Hundred Ninety-Eight only) as compared to Rs. 576,353,000 during the previous year. The Company incurred a net profit of Rs. 30,514,322 during the financial year under review as compared to profit of Rs. 37,717,000 during the previous year.

Business and Operations

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

Material Changes Affecting Financial Position

There are no material changes and commitments, affecting the financial position of the Company which has occurred since the end of the financial year i.e. March 31, 2017.

MGF Developments Limited

CIN NO. : U74899DL1996PLC081965

MGF House, 17-B Asaf Ali Road, New Delhi-110 002

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Website : www.mgfindia.com

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

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

The 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 farther 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.

The above are subject to approval of the court, with or without modifications.

Status of Demerger

Pursuant to the approval of the Board of Directors of the Company at its meeting held on May 11, 2016, the Company had filed a Scheme of Demerger before the Hon'ble High Court of Delhi on May 16, 2016, under sections 391(1) and 394; 100 to 104 of the Companies Act, 1956. The said Scheme contemplates transfer of an Undertaking to MGF Developments Limited (the Resulting Company) by Emaar MGF Land Limited .

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

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

The matter is currently pending before NCLT.

Dividend

Considering the future needs of the Company for expansion and growth and to strengthen the financial position of the Company, your directors do not recommend any dividend for the financial year ended 31st March, 2017.

Share Capital

On March 22, 2016, the Company had allotted 2,98,82,535 (Two Crore Ninety-Eight Lakh Eighty-Two Thousand Five Hundred Thirty-Five) for total consideration of Rs. 137,459,661/- (Rupees Thirteen Crore Seventy-Four Lac Fifty-Nine Thousand Six Hundred Sixty-One Only) i.e. Partly-Paid up (@ Rs. 4.60 /- including premium of Rs. 3.60/-) per Equity Share, having face value of Rs. 10/- each and premium of Rs. 36/- each, to its existing shareholders on rights issue basis.

Further, on March 01, 2017, the balance total amount of Rs. 1,237,136,949/- (Rupees One Hundred Twenty-Three Crore Seventy-One Lakh Thirty-Six Thousand Nine Hundred Forty-Nine Only) i.e. Rs. 41.40/- including premium of Rs. 32.40/-, the remaining call money has been received by the Company for aforesaid number of shares.

Thereafter, the Paid-up Share Capital of the Company as at March 31, 2017 increased to Rs. 597,650,700/- (Rupees Fifty-Nine Crore Seventy-Six Lac Fifty Thousand Seven Hundred) i.e. 5,97,65,070 (Five Crore Ninety-Seven Lac Sixty-Five Thousand Seventy), Equity Shares @ Rs.10/- (Rupees Ten Only) Per Equity Share.

Subsidiaries, Joint Ventures and Associates

The Company has 4 subsidiaries and 5 associate companies as on 31st March, 2017. We have, in accordance with Section 129(3) of the Companies Act, 2013 prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report.

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

The highlights of financial performance of your Company (on consolidated basis) for financial year ended on March 31, 2017 are as under:

Particulars	(Amount in Rs.)	
	For the year ended 31 st March 2017	For the year ended 31 st March 2016
Net Sales/Revenue from Operations	23,25,43,446	53,73,97,905
Other Income	2,63,88,039	4,05,91,867
Total Revenue	25,89,31,485	57,79,89,772
Total Operating Expenditure excluding Interest, Depreciation and Amortization	14,22,51,824	21,03,26,323
Interest and Finance Cost	5,93,22,610	4,55,48,975
Depreciation and Amortization expenses	1,84,69,362	2,05,76,518
Total Expense	22,00,43,797	54,16,15,746
Profit / (Loss) before tax	4,31,43,927	4,67,97,884
Net Profit / (Loss) for the year	3,63,35,516	3,94,97,934

Directors / Key Managerial Personnel

During the financial year, the following change was made in the composition of the Board of Directors of the Company;

1. Mrs. Shilpa Gupta resigned from the post of Whole-Time Director of the Company, w.e.f. August 31, 2016 and continued as Director, who retires by rotation, being eligible offers herself for re-appointment at the ensuing Annual General Meeting.
2. Mr. Ratan Kumar Thakur and Ms. Pragati Sachdeva were appointed as Independent Directors of the Company on October 07, 2016 to hold office for a period of five years and they shall not be liable to retire by rotation.
3. Mr. Rakshit Jain, Director of the Company, was also appointed as Chief Executive Officer (CEO) of the Company on February 14, 2017.

Further, Mr. Vijay Kumar Sharma was appointed as Chief Financial Officer (CFO) of the Company on July 01, 2017.

Meetings of Board / Committees

Details of the meetings of Board / Committees of the Company, held during the financial year 2016-17 are as under:

S. No.	Date of Meetings			
	Board Meetings	Audit Committee Meetings	CSR Committee Meetings	Nomination & Remuneration Committee
1	April 05, 2016	September 01, 2016	September 01, 2016	September 12, 2016
2	April 11, 2016	-	-	-
3	April 11, 2016	-	-	-
4	May 03, 2016	-	-	-
5	May 11, 2016	-	-	-
6	June 01, 2016	-	-	-
7	June 02, 2016	-	-	-
8	June 30, 2016	-	-	-
9	July 04, 2016	-	-	-
10	August 10, 2016	-	-	-
11	August 24, 2016	-	-	-
12	August 31, 2016	-	-	-
13	September 01, 2016	-	-	-
14	September 12, 2016	-	-	-
15	September 15, 2016	-	-	-
16	October 07, 2016	-	-	-
17	November 29, 2016	-	-	-
18	January 16, 2017	-	-	-
19	February 06, 2017	-	-	-
20	February 14, 2017	-	-	-
21	March 01, 2017	-	-	-
22	March 16, 2017	-	-	-
23	March 31, 2017	-	-	-
Total No. of Meetings	23	1	1	1

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

Name of Directors	Number of Meetings			
	Board Meetings	Audit Committee Meetings	CSR Committee Meetings	Nomination & Remuneration Committee
Mr. Shravan Gupta	17	1	1	1
Mrs. Shilpa Gupta	18	-	-	-
Mr. Arun Mitter	23	1	1	1
Mr. Rakshit Jain	23	1	1	1

Directors' Responsibility Statement

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively

Declaration by Independent Directors

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

Nomination & Remuneration Committee

Pursuant to Section 178 of the Companies Act, 2013, the Company has constituted a Nomination & Remuneration Committee and the current composition of the Committee is as under:

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

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

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

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

- i. Appointment of Mr. Ratan Kumar Thakur and Ms. Pragati Sachdeva as Independent Directors of the Company w.e.f. October 07, 2016.
- ii. Appointment of Mr. Rakshit Jain as Chief Executive Officer of the Company w.e.f. February 14, 2017.

After the closure of the Financial Year 2016-17, the Board of Directors of the Company at its meeting held on July 01, 2017, on the recommendation of the Nomination & Remuneration Committee, have appointed Mr. Vijay Kumar Sharma as the Chief Financial Officer (CFO) of the Company.

Audit Committee

Pursuant to Section 177 of the Companies Act, 2013, the Company has constituted an Audit Committee and the current composition of the Committee is as under:

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

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

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

Auditors

I. Statutory Auditors

The Auditors, M/s. M.L. Mutneja & Co., Chartered Accountant, (Firm Regn. No. 001446N) were appointed as statutory auditors of the Company for the FY 2017-2018.

M/s. M.L. Mutneja & Co., Chartered Accountant, (Firm Regn. No. 001446N) have consented to the said appointment, and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditor in terms of the provisions of the proviso to Section 139(1), Section

141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The Audit Committee and the Board of Directors recommend the appointment of M/s. M.L. Mutneja & Co., Chartered Accountant, (Firm Regn. No. 001446N) Chartered Accountant as statutory auditors of the Company from the conclusion of the 21st Annual General Meeting till the conclusion of 22nd Annual General Meeting, to the shareholders of the Company.

2. Cost Auditors

As per Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. In this connection, the Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of M/s. Sarat Mondal & Co., Cost Accountants (Firm Registration No. 24642), as Cost Auditors of the Company for conducting Cost Audit of the Company for the financial year 2017-18.

3. Secretarial Auditor

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

The Board had appointed M/s Jain Alok & Associates, Company Secretaries, as Secretarial Auditors to conduct Secretarial Audit for the financial year 2016-17 and their report is annexed to this Board Report as **Annexure -2**.

The Secretarial Auditors in their Report have observed the followings;

- There was no Chief Financial Officer appointed in the Company during the period under review as required u/s 203 of the Companies Act, 2013;

In this connection, the Board of Directors would like to submit that the Company made efforts to identify the suitable candidate for the post of Chief Financial Officer of the Company but was not able to find the same. Thereafter, on July 01, 2017, Mr. Vijay Kumar Sharma was appointed as Chief Finance Officer of the Company. The Company ensured the due compliance of the provisions of the Companies Act, 2013.

- The Company had appointed Mr. Rakshit Jain as Chief Executive Officer (CEO) under section 2(18) read with section 203 of the Companies Act, 2013 on 14th February, 2017, however the Company has not filed any form with ROC as on the date of this report;

In this connection, the Board of Directors would like to submit that the Company is in the process to file requisite form(s) at the earliest.

- The Company did not have any independent director till 6th October, 2016 as required u/s 149 of the Companies Act, 2013. The Company appointed Ms. Pragati Sachdeva and Mr. Ratan Kumar Thakur as Independent Directors w.e.f. 07th October, 2016, however the Company has not filed any form with ROC as on the date of this report. Therefore, the Composition of Audit Committee, Nomination and Remuneration Committee and CSR Committee were not as per the provisions of Section 177, 178 and 135, respectively, of the Companies Act, 2013 till 6th October, 2016 as there was no independent directors in the Company;

In this connection, the Board of Directors would like to submit the Company made efforts to find the suitable candidates for the post of Independent Directors of the Company but was not able to

find suitable candidates for the said position. Thereafter, on October 07, 2016, Ms. Pragati Sachdeva and Mr. Ratan Kumar Thakur as Independent Director of the Company and therefore the composition of said committees of the Company had also been changed on the same date. Further the Company is in the process to file requisite form(s) at the earliest.

- The Company has made a disclosure in the Boards' Report for the financial year 2015-16 that the CSR provisions were not applicable on the Company, however the CSR provisions were applicable on the Company since net profits of the Company during preceding three financial years was more than Rs. 5 crores Further the Company has not incurred proper expenditure on CSR activity during the financial year 2016-17. Therefore, the Company has contravened the provisions of Section 135 and 134 (3)(o) of the Companies Act, 2013;

In this regard, the Board of Directors would like to submit that, inadvertently it was mentioned in Directors' Report 2015-16 that CSR provision was not applicable to the Company. However the Company has complied the same, by mentioning the composition of CSR Committee in this Board's Report., further the Company is in the process to file compounding application with the appropriate Court/ Tribunal.

Further, proper expenditure was not incurred in the FY 2016-17 as Company was facing delay in accommodating planned spends along with difficulty in finding other appropriate partners for the purpose of CSR expenditure. The Company shall ensure that the due compliance of the provisions of the Companies Act, 2013.

- The Company has not filed Form CRA-2 for the appointment of cost auditor and Form CRA-4 for cost audit report with ROC till the date of this report;

In this connection, the Company would like to submit that, inadvertently the Company had not filed the said forms in time. However, Form CRA-2, for appointment of M/s. Sarat Mondal & Co., Cost Accountants, Cost Auditors of the Company, was filed on 06th September, 2016 with Registrar of Companies. Further in respect to the non-filing of cost Audit Report in Form CRA-4, the Company is in the process to file compounding application with the appropriate Court/ Tribunal.

- The Company has not filed MGT-14 for making investments;

In this connection, the Company would like to submit that, inadvertently the Company had not filed the Form MGT-14. Further the Company shall file compounding application(s) with the appropriate authority to condone the delay of the same.

Statutory Auditors' Report

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

Extract of the Annual Return

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

Loans, Guarantees or Investments

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

Deposits

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

Related Party Transaction

There have been no materially significant related party transactions between the Company and the related parties, except for those disclosed in the financial statements. Further, during the financial year 2016-17, the Company had not entered into any new contract / arrangement with related parties, as specified under Section 188(1) of the Companies Act, 2013.

Internal Financial Controls

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

Corporate Social Responsibility

Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of the Company in its meeting held on 7 November, 2014, has constituted a Corporate Social Responsibility Committee ("CSR Committee") and the current composition of the Committee is as under:

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

The CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The Company has average net profit calculated in accordance with section 198 of the Companies Act, 2013 as follows;

(Amount in Rs.)					
Financial Year	Net Profit (In Rs.)	Average Net Profit (Before Tax) of Last Three Years	2% average Net Profit (Before Tax) of Last Three Years	Amount given to Arpana Trust for CSR purpose	Balance Amount for CSR Purpose
2014-15	4,05,52,905	4,23,92,887	8,47,858	11,000	8,36,858
2015-16	4,74,21,530				
2016-17	3,92,04,227				
Total	12,71,78,662	4,23,92,887	8,47,858	11,000	8,36,858

However, the Company is facing delay in accommodating planned spends and is also facing difficulty in finding other appropriate partners for the purpose of CSR expenditure. The Company has not incurred any significant expenditure as mentioned above on CSR activities / projects. However, the Company believes in the policy of Commercial and Social Developments, hence the Company shall owe to the society to pay it for making better world and the Company shall do expenses in the next year.

Risk Management

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

Vigil Mechanism

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

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

During the year under review, there have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations.

Investor Education & Protection Fund

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

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

(A) Conservation of energy-

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

(B) Technology absorption-

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

(C) Foreign exchange earnings and Outgo-

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

Particulars	March 31, 2017	March 31, 2016
Purchase of Material	0	0
Expenses on Foreign Travel	Rs. 2,211,000/-	Rs. 3,819,000/-

MANAGERIAL REMUNERATION/ PARTICULARS OF THE EMPLOYEES

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

Acknowledgement

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

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



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



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

Date: September 01, 2017
Place: New Delhi

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2017
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	U74899DL1996PLC081965
ii	Registration Date	16-Sep-96
iii	Name of the Company	M G F Developments Limited
iv	Category/Sub-category of the Company	Company Limited by Shares
v	Address of the Registered office & contact details	4/17-B, MGF House, Asaf Ali Road, New Delhi 110002
vi	Whether listed company	No
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	NA

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Construction	41001	22.39
2	Renting and leasing of other machinery, equipment and tangible goods n.e.c.	77301	55.20
3	Maintenance service activities	81300	22.41

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No.	NAME OF THE COMPANY	ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Kayo Developers Private Limited	4/17-B, MGF House, Asaf Ali Road, New Delhi 110002	U45400DL2007PTC170833	Subsidiary	100	Section 2(87) of Companies Act, 2013
2	Samishti Real Estate Private Limited	4/17-B, Asaf Ali Road, New Delhi 110002	U45400DL2014PTC269821	Subsidiary	100	Section 2(87) of Companies Act, 2013
3	Crimson Holdings Private Limited	17-B, MGF House, Asaf Ali Road, New Delhi 110002	U70100DL2010PTC204903	Subsidiary	75	Section 2(87) of Companies Act, 2013
4	Discovery Holdings Private Limited	MGF House, 17-B, Asaf Ali Road, New Delhi 110002	U67110DL1998PTC093629	Associate	49.85	Sec 2-(6) of Companies Act, 2013
5	VMR Promoters Private Limited	4/17-B, MGF House, Asaf Ali Road, New Delhi 110002	U70109DL2006PTC152110	Associate	50	Sec 2-(6) of Companies Act, 2013
6	SSP Aviation Limited	MGF House, 17-B, Asaf Ali Road, New Delhi 110002	U45201DL2003PLC118351	Associate	26.02	Sec 2-(6) of Companies Act, 2013
7	MGF Promotions And Events Private Limited	4/17-B, MGF House, Asaf Ali Road, New Delhi 110002	U74999DL2011PTC221030	Associate	50	Sec 2-(6) of Companies Act, 2013
8	MGF Estates Management Private Limited	4/17-B, MGF House, Asaf Ali Road, New Delhi 110002	U74140DL2011PTC221910	Associate	50	Sec 2-(6) of Companies Act, 2013

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters	-	-	-	-	-	-	-	-	-
(1) Indian	-	40,74,047	40,74,047	6.81	-	40,74,047	40,74,047	6.81	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	5,38,46,273	5,38,46,273	90.10	-	5,38,46,273	5,38,46,273	90.10	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	-	5,79,20,320	5,79,20,320	96.91	-	5,79,20,320	5,79,20,320	96.91	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	-	5,79,20,320	5,79,20,320	96.91	-	5,79,20,320	5,79,20,320	96.91	-
B. PUBLIC SHAREHOLDING	-	-	-	-	-	-	-	-	-
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII/S	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	0	0	0	0	0	0	0	0	0
(2) Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies corporates	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	1844750	1844750	3.09	-	1844750	1844750	3.09	-
SUB TOTAL (B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)= (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	5,97,65,070	5,97,65,070	100.00	-	5,97,65,070	5,97,65,070	100.00	-

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Mrs. Shilpa Gupta	20,398	0.03	-	31,75,398	5.31	-	-
2	Mr. Shravan Gupta	40,53,649	6.78	-	8,98,649	1.50	-	-
3	Discovery Estates Private Limited	1,39,92,346	23.41	-	2,39,53,191	40.08	-	-
4	Vishnu Apartments Pvt Ltd	1,99,21,690	33.33	-	1,99,21,690	33.33	-	-
5	SSP Aviation Ltd	1,99,21,690	33.33	-	99,60,845	16.67	-	-
6	MGF Projects Private Limited	10,547	0.017	-	10,547	0.017	-	-
		5,79,20,320	96.90	-	5,79,20,320	96.91	-	-

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	Mrs. Shilpa Gupta	20398	0.03	3175398	5.31
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	01.03.2017	Increase in shareholding due to transfer of 3155000 equity shares from Mr. Shravan Gupta.		
	At the End of the year	3175398	5.31	3175398	5.31
2	Mr. Shravan Gupta	4053649	6.78	898649	1.5
	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):	01.03.2017	Decrease in shareholding due to transfer of 3155000 equity shares to Mrs. Shilpa Gupta.		
	At the End of the year	898649	1.5	898649	1.5
3	Discovery Estates Pvt. Ltd.	13992346	23.41	23953191	40.08
	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):	01.03.2017	Increase in shareholding due to transfer of 9960845 equity shares from SSP Aviation Ltd.		
	At the End of the year	23953191	40.08	23953191	40.08
4	SSP Aviation Ltd.	19921690	33.33	9960845	16.67
	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):	01.03.2017	Decrease in shareholding due to transfer of 9960845 equity shares to Discovery Estates Pvt. Ltd.		
	At the End of the year	9960845	16.67	9960845	16.67

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & 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
1	Fairbridge Holdings Ltd	1844750	3.09	1844750	3.09

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Shravan Gupta				
	At the beginning of the year	4053649	6.78	898649	1.5
	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.):	01.03.2017	Decrease in shareholding due to transfer of 3155000 equity shares to Mrs. Shilpa Gupta.		
	At the end of the year	898649	1.5	898649	1.5
2	Shilpa Gupta				
	At the beginning of the year	20398	0.03	3175398	5.31
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	01.03.2017	Increase in shareholding due to transfer of 3155000 equity shares from Mr. Shravan Gupta.		
	At the end of the year	3175398	5.31	3175398	5.31

*No other Director has held shares of the Company.

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment					
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
Indebtedness at the beginning of the financial year					
i) Principal Amount	46,93,16,788	81,94,79,329	-	1,28,87,96,117	
ii) Interest due but not paid	-	-	-	-	
iii) Interest accrued but not due	-	-	-	-	
Total (i+ii+iii)	-	-	-	-	
Change in Indebtedness during the financial year					
Additions	-	-	-	-	
Reduction	5,64,05,911	20,58,50,752	-	26,22,56,663	
Net Change					
Indebtedness at the end of the financial year					
i) Principal Amount	41,29,10,877	61,36,28,577	-	1,02,65,39,454	
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 director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the 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. 1961.	-	750,000*	-	750,000*
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	#Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as% of profit - others, specify	-	-	-	-
5	Others, please specify (EPF Contribution)	-	100,000*	-	100,000*
	Total (A)	-	850,000*	-	850,000*
	Ceiling as per the Act	-	-	-	-

* Mrs. Shilpa Gupta had resigned from the post of Whole-Time Director of the Company on 31st August, 2016 and the remuneration is for the period w.e.f. 01st April, 2016 till 31st August, 2016. Mrs. Shilpa Gupta is now designated as Director (Non-Executive) as on the same date.

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	-	-	-	-
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non Executive Directors	-	-	-	-
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify.	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Cieling as per the Act.	-	-	-	-

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO	CFO	Company Secretary (Nupur Jain)		
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	-	3,95,520	3,95,520	
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	
2	Stock Option	-	-	-	-	
3	Sweat Equity	-	-	-	-	
4	Commission	-	-	-	-	
	- as% of profit	-	-	-	-	
	- others, specify	-	-	-	-	
5	Others, please specify	-	-	24,480	24,480	
	Total	-	-	4,20,000	4,20,000	

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)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

AOC-1

Sr No	Name of the Company	Section	Nature	Share Holding No. of equity shares	Share Holding No. of Preference shares	Extent of Holding (%)	Paid Up Capital	Preference share Capital	Reserves	Net Worth	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before Tax	Provision For Tax	Profit/(Loss) after Tax	Proposed Dividend
1	Crimson Holdings Private Limited	2(87)(ii)	Subsidiary	30,000	0	0	0	0	0	-14204	0	0	0	0	-5775	0	-5775	0
2	Kayo Developers Private Limited	2(87)(ii)	Subsidiary	10,000	0	0	0	0	-9127	90,873	34,75,98,420	34,75,98,420	0	0	12,06,562.59	0	12,06,562.59	0
3	Samisthi Real Estate Private Limited	2(87)(ii)	Subsidiary	10,000	0	0	0	0	0	1,00,000	1,050,67,250	1,050,67,250	0	0	-7,16,263	0	-7,16,263	0
4	Aryan Life Style Private Limited	2(87)(ii)	Subsidiary	26,6,40,000	0	0	0	0	-43,77,42,115	7,97,21,115	2,88,79,339	2,88,79,339	0	0	-3,19,764	14,87,980	-3,19,764	0
5	Discovery Holdings Private Limited	2(6)	Associate	49,850	0	0	0	0	5,23,56,938	5,33,56,938	8,66,76,961	8,66,76,961	1,15,00,000	29,16,719	10,18,099	26,00,000	7,39,849	0
6	VMR Promoters Private Limited	2(6)	Associate	25,00,000	0	0	0	0	51,45,689	5,51,45,689	8,70,63,912	8,70,63,912	0	0	-1,86,589	0	-4,96,589	0
7	SSP Aviation Limited	2(6)	Associate	5,20,300	0	0	0	0	-46,09,74,375	-44,09,74,375	42,49,58,555	42,49,58,555	9,96,08,450	0	30,918	0	30,918	0
8	MGF Promotions & Events Private Limited	2(6)	Associate	50,000	0	0	0	0	2,05,96,394	2,15,96,394	2,84,27,932	2,84,27,932	2,00,88,165	66,01,107	25,57,266	19,75,000	35,36,908	0
9	MGF Estates Management Private Limited	2(6)	Associate	50,000	0	0	0	0	-2,54,66,206	-2,44,66,206	8,70,94,123	8,70,94,123	1,10,37,355	16,97,83,581	1,28,68,786	3,150,000	1,01,16,786	0



Your Compliance Partner

JAIN ALOK & ASSOCIATES
COMPANY SECRETARIES

C-5/24-25, Sector-6, Rohini
New Delhi-110085

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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

To
The Members,
M/s. **M G F Developments Limited**
4/17-B, MGF House, Asaf Ali Road,
New Delhi-110002

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

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended **31st March, 2017**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We report that, we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended **31st March, 2017** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under and the applicable provisions of the Companies Act, 1956;
- (ii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings;
- (iii) Provisions of Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were **not applicable** to the Company during the financial year under report.
- (iv) The management has identified and confirmed the following laws as applicable to the Company:

Employees Provident Fund & Miscellaneous Provisions Act, 1952; Employees' State Insurance Act, 1948 and Schemes; Payment of Wages Act, 1936 and Rules; Minimum Wages Act, 1948 and Rules; The Contract Labour (Regulation & Abolition) Act, 1970 & the Rules; Payment of Bonus Act, 1965 and Rules; Payment of Gratuity Act, 1972 and Rules; Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959; Workman's Compensation Act, 1923 and Rules;

E mail: csalokjain@gmail.com; Ph: 9871494280



We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2);

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

- There was no Chief Financial officer appointed in the Company during the period under review as required u/s 203 of the Companies Act, 2013;
- The Company has appointed Mr. Rakshit Jain as CEO on 14th February, 2017, however the Company has not filed any form with ROC as on the date of this report;
- The Company did not have any independent director till 6th October, 2016 as required u/s 149 of the Companies Act, 2013. The Company has appointed Ms. Pragati Sachdeva and Mr. Ratan Kumar Thakur as Independent Director w.e.f. 07th October, 2016, however the Company has not filed any form with ROC as on the date of this report;
- The Composition of Audit Committee, Nomination and Remuneration Committee and CSR Committee were not per the provisions of Section 177, 178 and 135 of the Companies Act, 2013 respectively, till 6th October, 2016 as there was no independent directors in the Company;
- The Company has made a disclosure in the Boards' Report for the financial year 2015-16 that the CSR provisions were not applicable on the Company, however the CSR provisions were applicable on the Company since net profits of the Company during preceding three financial years was more than Rs. 5 crores. Further the Company has not incurred proper expenditure on CSR activity during the financial year 2016-17. Therefore, the Company contravene the provisions of Section 135 and 134 (3)(o) of the Companies Act, 2013;
- The Company has filed AOC-4 and MGT-7 for the financial year 2015-16 with additional fees;
- The Company has not filed CRA-2 for the appointment of cost auditor and CRA-4 for cost audit report with ROC till the date of this report;
- The Company has not filed MGT-14 for making investments;

We further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the year under review were carried out, however appointment of Mr. Rakshit Jain as CEO of the Company and Ms. Pragati Sachdeva and Mr. Ratan Kumar Thakur as Independent Directors were not intimated to the RoC, Delhi till the date of this report.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and on shorter notice with the consent of Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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



We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Jain Alok & Associates
Company Secretaries



A handwritten signature in black ink, appearing to read "Alok Jain".

Alok Jain
(Proprietor)
ACS No.:30369
C.P No.:14828

Place: New Delhi
Date: 01/09/2017

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



Annexure A

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

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Jain Alok & Associates
Company Secretaries



Alok Jain
(Proprietor)
ACS No.:30369
C.P No.:14828

Place: New Delhi
Date: 01/09/2017



Independent Auditor's Report

To the Shareholders of
MGF DEVELOPMENTS LIMITED

Report on the Financial Statements

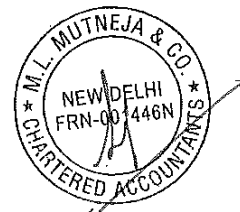
1. We have audited the accompanying standalone financial statements of MGF Developments Limited ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies 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, 2017;
 - (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 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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; ; refer to our separate report in Annexure –B 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. 33(12)(b) 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.
- (iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 08 November 2016 to 30 December 2016. Based on audit procedures and relying on the Management representation we report that the disclosures are in accordance with the books of account maintained by the Company and as stated in note to accounts, para no. 33(13.29) to the financial statements.

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




**(SANGEETA JAGYASI)
PARTNER
M.NO. 501559**

Place : New Delhi
Date : 01.09.2017

Annexure 'B' to the Independent Auditor's Report of even date on the financial statements of MGF DEVELOPMENTS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **MGF DEVELOPMENTS LIMITED ("the Company")** as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

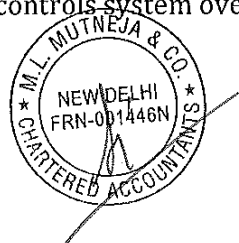
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted my our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting include those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transaction are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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


(SANGEETA JAGYASI)
PARTNER

M.NO. 501559

Place : New Delhi
Date : 01.09.2017



COMPANIES (AUDITOR'S REPORT) ORDER, 2016

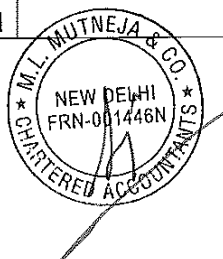
Annexure "A" to Auditor's Report dated 01.09.2017 for the Financial Year 2016-17 under Companies Act,2013)

COMPANY: M/S MGF DEVELOPMENTS LIMITED

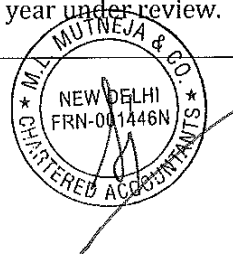
S.No.	Particulars	Auditor's Remarks (As certified by Directors of the company)
(i)	(a) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	Yes
	(b) whether these fixed assets have been physically verified by the management 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;	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(13.3)(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.



(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 Note No. 33(13.24) & 33(13.26)(m)
(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(13.23)(B)'(2).
(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, with minor delays. (ii) Arrears : a) Income Tax : Provisions made : Rs. 4,84,10,527/- Refer to Note no. 33(12)(h) b) TDS payable : Rs. 16,12,800/- c) Ground Rent : Rs. 9,35,42,697/- d) HVAT Payable : Rs. 1,27,16,020/-
	(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. 1,49,47,793/- Refer to Note no. 33(12)(h) b) Service Tax : Rs. 82.94 lakhs Refer to Note no. 33(12)(g)
(viii)	Whether the company has defaulted in repayment of loans or borrowings to a financial	No




	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);	
(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 complied 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(13.26)
(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,	The company has not made any preferential allotment or private placement of share or fully or partly convertible debentures during the year under review.



	2013 have been compiled 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;	
(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

For MGF DEVELOPMENTS LTD.


SANGEEPA JAGYASI
PARTNER
M.No. 501559




DIRECTOR

PLACE : NEW DELHI
DATE : 01.09.2017

MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

BALANCE SHEET AS AT 31ST MARCH, 2017

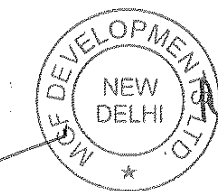
Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
<u>I. EQUITY AND LIABILITIES</u>			
<u>(1) Shareholder's Funds</u>			
a) Share Capital	1	597,650,700	328,707,885
b) Reserve & Surplus	2	2,206,779,383	1,208,070,927
		2,804,430,083	1,536,778,812
<u>(2) Non- Current Liabilities</u>			
a) Long term borrowings	3	902,906,558	1,100,893,934
b) Deferred tax liability (net)	4	114,425,343	112,392,356
c) Other Long Term Liabilities	5	802,111,689	802,231,275
d) Long-term provisions	6	2,746,212	2,636,722
		1,822,189,802	2,018,154,287
<u>(3) Current Liabilities</u>			
a) Short term borrowings	7	89,939,248	147,800,000
b) Trade payables	8	155,947,330	177,341,853
c) Other current liabilities	9	1,706,200,128	1,903,220,101
d) Short-term provisions	10	146,749,949	135,975,037
		2,098,836,654	2,364,336,991
Total Equity & Liabilities		6,725,456,539	5,919,270,090
<u>II. ASSETS</u>			
<u>(1) Non-current Assets</u>			
<u>a) Fixed Assets</u>			
i) Tangible Assets	11	11,577,733	11,847,021
ii) Intangible Assets	12	439,490	700,108
b) Non- current Investment	13	436,270,622	342,302,219
c) Long term loans & advances	14	2,286,314,460	2,753,661,138
d) Other non-current assets	15	8,149,033	5,650,878
		2,742,751,338	3,114,161,365
<u>(2) Current Assets</u>			
a) Current investment	16	751,334,340	412,259,026
b) Inventories	17	1,072,650,685	967,652,359
c) Trade receivables	18	434,441,730	486,851,533
d) Cash and cash equivalents	19	404,749,005	68,224,414
e) Short-term loans and advances	20	315,376,109	312,411,357
f) Other current assets	21	1,004,153,331	557,710,035
		3,982,705,201	2,805,108,725
Total Assets		6,725,456,539	5,919,270,090

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, 2017



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

(Rakshit Jain)
 Director
 DIN : 00607288

(Nupur Jain)
 Company Secretary
 M.No. 36044

(Arun Mitter)
 Director
 DIN : 00022941

(Vijay Kumar Sharma)
 CFO

MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Statement of Profit and Loss for the year ended 31st March, 2017

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	232,543,446	537,397,905
II	Other Income	23	24,690,152	38,955,095
III	III. Total Revenue (I + II)		257,233,598	576,353,000
IV	Expenses:			
	Cost of Materials Consumed	24	(95,873,177)	132,581,965
	Purchase of Stock-in-Trade	25	0.00	0.00
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	0.00	(0.00)
	Employee benefit expense	27	21,344,839	18,117,084
	Financial costs	28	59,322,610	45,548,975
	Depreciation and amortization expense	29	18,469,362	20,576,518
	Other expenses	30	214,765,736	322,530,786
	Total Expenses (IV)		218,029,371	539,355,328
V	Profit before exceptional and extraordinary items and tax	(III - IV)	39,204,227	36,997,672
VI	Exceptional Items	31	4,256,239	10,423,858
VII	Profit before extraordinary items and tax	(V - VI)	43,460,466	47,421,530
VIII	Extraordinary Items		0	0
IX	Profit before tax	(VII - VIII)	43,460,466	47,421,530
X	Tax expense:			
	(1) Current tax		10,913,157	15,936,540
	(2) (Excess)/Short provision of tax relating to earlier years		0	(475,835)
	(3) Deferred tax liability/(Assets)		2,032,987	(5,756,175)
XI	Profit(Loss) from the period from continuing operations	(IX-X)	30,514,322	37,717,000
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)	30,514,322	37,717,000
XVI	Earning per equity share:	32		
	(1) Basic		0.51	1.20
	(2) Diluted		0.51	1.20

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

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



(Signature)
(Rakshit Jain)
Director
DIN : 00607288

(Signature)
(Arun Mitter)
Director
DIN : 00022941

(Signature)
(Sangeeta Jagyasi)
Partner
Membership No. : 501559



(Signature)
(Nupur Jain)
Company Secretary
M.No. 36044

(Signature)
(Vijay Kumar Sharma)
CFO

Place : New Delhi
Dated : 1st September, 2017

MGF Developments Ltd.
Cash Flow Statement for the year ended March 31, 2017

	As at 31st March, 2017	As at 31st March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation, and extraordinary item	43,460,466	47,421,530
Adjustment for :		
Depreciation & Amortisation	18,469,362	20,576,518
Loss / (Profit) on sale of fixed assets	-	-
Loss / (Profit) on sale of investments	(4,256,239)	-
Interest Expense	59,322,610	45,548,975
Interest Income	(17,730,093)	(15,894,640)
Dividend Income	(3,778,274)	-
Provision for employee leave encashment	1,300,532	1,099,118
Leave Salary Paid	(1,099,118)	(820,810)
Provision for Gratuity	109,490	291,577
Operating profit before working capital changes	95,798,736	98,222,269
Adjustments for :		
(Increase)/Decrease in Inventories	(120,851,548)	(59,774,658)
(Increase)/Decrease in Trade and other Receivables	67,850,279	92,825,986
Increase/(Decrease) in Trade and Other Payables	(218,534,082)	(2,535,978)
Increase/(Decrease) in Provisions	10,573,498	(184,847,411)
Cash generated from operations	(260,961,854)	(154,332,062)
Less - Direct taxes paid	10,913,157	15,460,705
Net Cash From Operating Activities	(176,076,274)	(71,570,498)
B. CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES		
Sale of fixed assets (net)	-	-
(Purchase) of fixed assets (net)	(2,086,235)	(732,877)
(Purchase) of Investments (net)	(428,787,478)	(263,666,250)
Interest Income	17,730,093	15,894,640
Dividend Income	3,778,274	-
Net Cash From Investing Activities	(409,365,345)	(248,504,487)
C. CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES		
Proceeds from issue of share capital	268,942,815	29,882,535
Proceeds from Security Premium on issue of share capital	968,194,134	107,577,126
Proceeds/(Repayments) form/of Borrowings (Net)	(255,848,128)	142,968,051
Interest Paid	(59,322,610)	(45,548,975)
Net Cash From Financing Activities	921,966,210	234,878,736
Net increase/(decrease) in Cash and Cash Equivalents	336,524,591	(85,196,249)
Cash and Cash Equivalents as at April 1,	68,224,414	153,420,663
Cash and Cash Equivalents as at March 31,	404,749,005	68,224,414

Note:

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

For M.L.Mutneja & Co.
Chartered Accountants

(Sangeeta Jagyasi)
Partner
Membership No. : 501559



Place : New Delhi
01/09/2017



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

(Rakshit Jain)
Director
DIN : 00607288

(Nupur Jain)
Company Secretary
M No 36044

(Arun Mitter)
Director
DIN : 00022941

(Vijay Kumar Sharma)
CFO

MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2017**1. Share Capital**

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Authorized shares 600,00,000 (Previous Year 600,00,000) Equity Shares of Rs 10 each	600,000,000	600,000,000
Issued, Subscribed and fully paid shares		
Fully Paid Equity Shares 59,765,070 (Previous Year 298,82,535) Equity Shares of Rs 10 each fully paid-up	597,650,700	298,825,350
Subscribed but not fully paid Nil (Previous Year 298,82,535) Equity Shares of Rs 10/- each i) Rs. 1/- per share Called and Paid-up	-	29,882,535
Total	597,650,700	328,707,885

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, 2017

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.

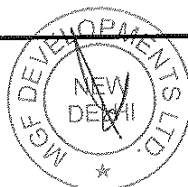
iii) As per records of the company, the above shareholding represents both legal and beneficial ownerships of shares.

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

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
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, 2017	For the year ended March 31, 2016
NIL		



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2017**d) Details of shareholders holding more than 5% shares in the Company***

Particulars	% Share-holding	No of Shares as at March 31, 2017	% Share-holding	No of Shares as at March 31, 2016
Shravan Gupta	1.50%	898,649	6.78%	4,053,649
Discovery Estates Pvt. Ltd.	40.08%	23,953,191	23.41%	13,992,346
Vishnu Apartments Pvt Ltd	33.33%	19,921,690	33.33%	19,921,690
SSP Aviation Ltd.	16.67%	9,960,845	33.33%	19,921,690
Shilpa Gupta	5.31%	3,175,398	0.03%	20,398

* 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, 2017	For the year ended March 31, 2016
Opening number of issued, subscribed & paid-up equity shares	59,765,070	29,882,535
Opening amount of issued, subscribed & paid-up equity share capital (Rs)	597,650,700	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	59,765,070
Closing amount of issued, subscribed & paid-up equity shares capital (Rs)	597,650,700	328,707,885



MGF DEVELOPMENTS LTD.

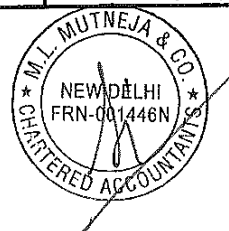
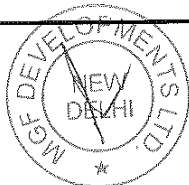
CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2017**2. Reserve & surplus**

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Securities premium account	1,239,364,260	271,170,126
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	904,461,606	866,744,606
Add: profit / (loss) for the year	30,514,322	37,717,000
Less: appropriations		
Transfer to general reserve	-	-
Provision for Wealth Tax	-	-
Interim dividend on equity shares	-	-
Proposed dividend on equity shares	-	-
Tax on dividend	-	-
Net surplus in the statement of profit & loss	934,975,928	904,461,606
Total reserve & surplus	2,206,779,383	1,208,070,927

3. Long Term Borrowings

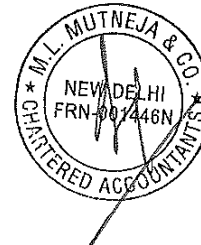
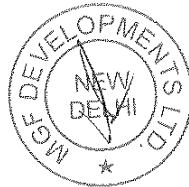
Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Secured		
Financial Institutions	412,910,877	469,316,788
Unsecured Loans from Related Parties		
Directors	4,240,000	4,240,000
Inter Corporate Deposit (Interest Free)	44,969,329	46,789,329
Unsecured Loans from Others		
Other Inter Corporate Deposit (Interest Free)	474,480,000	620,650,000
	936,600,206	1,140,996,117
Less:- Amount disclosed under Other Current Liability as current liability (repayable within 12 months)		
Current maturities of Loans from Financial Institution	(33,693,648)	(40,102,183)
	(33,693,648)	(40,102,183)
Total	902,906,558	1,100,893,934



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, 2017 as under:

Particulars		Amount	Total
WDV as per Income Tax Act	(A)	181,304,440.00	181,304,440.00
<u>WDV as per Companies Act</u>			
Tangible Assets		11,577,732.98	
Intangible Assets		439,490.48	
Leased Shop		347,619,422.00	
Investment Project - Qutab	(B)	167,781,959.00	527,418,604.46
Difference	(A - B)		346,114,164.46
Tax @ 33.06%			114,425,343.00
Opening Deferred Tax Liability			112,392,355.53
Deferred Tax Liability / (Assets) for Current Year			2,032,987.00



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2017**4. Deferred tax liability**

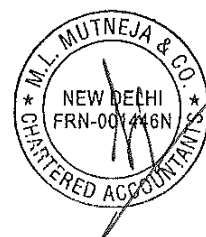
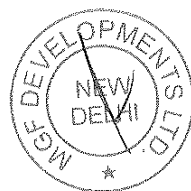
Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Deferred tax liabilities	112,392,356	118,148,531
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	2,032,987	(5,756,175)
Gross deferred tax liability	114,425,343	112,392,356
Net deferred tax liability / (asset)	114,425,343	112,392,356

5. Other Long Term Liabilities

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Security Deposits from Customers	102,111,689	102,231,275
Security Deposits - Others	700,000,000	700,000,000
Total Non Current Liabilities	802,111,689	802,231,275

6. Long Term Provisions

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Provision for Employee Benefit	2,746,212	2,636,722
Total Long Term Provision	2,746,212	2,636,722



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2017**7. Short Term Borrowings**

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Unsecured Loans from Related Parties		
Inter Corporate Deposit (Bearing Interest)	77,739,248	76,300,000
Unsecured Loans from Other Parties		
Inter Corporate Deposit	12,200,000	71,500,000
	89,939,248	147,800,000
Total	89,939,248	147,800,000

8. Trade Payable

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Trade payables		
- others		
Trade Payable for Services	11,836,589	17,510,530
Trade Payable Project	144,110,741	159,831,323
	155,947,330	177,341,853
Total trade payables	155,947,330	177,341,853



MGF DEVELOPMENTS LTD.

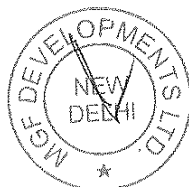
CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2017**9. Other Current Liabilities**

Particulars	For the Year ended March 31, 2017		For the year ended March 31, 2016
Current maturities of Loans from Financial Institution	33,693,648		40,102,183
Booking Advances from Customers	566,519,383		546,677,187
Book Overdebts	2,864,285		6,938,542
Due to Joint Ventures	618,218,499		770,626,668
Trade Payable for Capital Goods	13,609,385		13,609,385
Other Payable	440,239,369		496,138,857
Advances for CAM & Electricity - Vilas	168,398		20,388,332
Advances from Tenants	-		339,198
Duties & Taxes			
Income Tax	3,650,972		3,344,226
Service Tax	1,693,745		4,962,702
WCT	25,432,031		-
Provident Fund	110,412		92,820
Total Current Liabilities	1,706,200,128		1,903,220,101

10. Short Term Provisions

Particulars	For the Year ended March 31, 2017		For the year ended March 31, 2016
Provision for taxation	145,449,417		134,875,919
Provision for Leave Salary	1,300,532		1,099,118
Total Short Term Provision	146,749,949		135,975,037



MGF DEVELOPMENTS LIMITED

CIN : U74899DL1996PLC081965

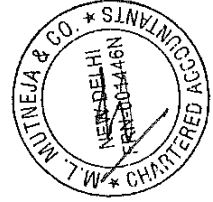
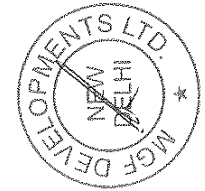
SCHEDULE OF FIXED ASSETS AS ON 31ST MARCH, 2017

NOTE 11 :- Tangible Assets

	Gross Block			Depreciation				Net Block		
	As at 01.04.16 Rs.	Additions Rs.	Sales / Deletion Rs.	As at 31.03.17 Rs.	For the Period Rs.	Reversal of Depreciation during the year Rs.	Adjustment for the Year Rs.	Net Deprn. As on 31/03/2017 Rs.	As at 31.03.17 Rs.	As at 31.03.16 Rs.
Building	-	-	-	-	-	-	-	-	-	-
Plant & Machinery	15,207,477	-	-	15,207,477	584,804	-	-	12,866,321	2,341,156	2,925,960
Furniture & Fixtures	15,998,237	-	-	15,998,237	119,107	-	-	15,191,628	806,609	925,716
Vehicles	38,473,567	-	-	38,473,567	598,970	-	-	36,273,958	2,199,609	2,798,579
Office Equipment	5,004,543	588,646	-	5,593,189	207,258	-	-	4,961,576	631,613	250,235
Leasehold Improvements	7,149,851	-	-	7,149,851	202,116	-	-	3,134,313	4,015,538	4,217,654
Computer	11,332,208	1,497,589	-	12,829,797	643,258	-	-	11,246,589	1,583,208	728,877
TOTAL	93,165,883	2,086,235	-	95,252,118	2,355,523	-	-	83,674,385	11,847,021	13,797,832
Previous Year	92,433,006	732,877	-	93,165,883	78,635,174	-	-	81,318,862	11,847,021	13,797,832

Note 12 :- Intangible Assets

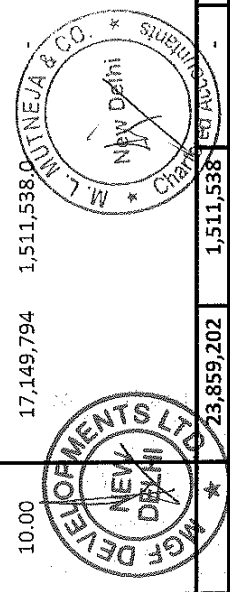
	Gross Block			Depreciation				Net Block		
	As at 01.04.16 Rs.	Additions Rs.	Sales / Deletion Rs.	As at 31.03.17 Rs.	For the Period Rs.	Reversal of Depreciation during the year Rs.	Adjustment for the Year Rs.	Net Deprn. As on 31/3/2017 Rs.	As at 31.03.17 Rs.	As at 31.03.16 Rs.
Trade Marks	5,517,050	-	-	5,517,050	260,618	-	-	5,173,910	343,140	603,758
Computer Software	1,926,994	-	-	1,926,994	-	-	-	1,830,644	96,350	96,350
TOTAL	7,444,044	-	-	7,444,044	260,618	-	-	7,004,554	439,490	700,108
Previous Year	7,444,044	-	-	7,444,044	458,561	-	-	6,743,936	700,108	1,158,669



Note 13 : Details of Investments for the year ended 31st March 2017

UNITS

Particulars	Face Value	As on			Deductions during the year	As on		31.03.2016
		01- April-16	Additions during the year	No(s)		31- Mar-17	31.03.2017	
		No(s)	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	
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	
EMAAAR MGF Land Limited	10.00	371,318	-	-	371,318	18,930,536	18,930,536	
EMAAAR 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	2,500,000	-	-	2,500,000	26,454,196	25,031,250	
Aryan Life Style Private Limited	10.00	640,000	-	-	640,000	6,400,000	6,400,000	
EMAAAR 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	1,511,538	-	18,661,332	274,523,720	171,739,140	
Other Investments								
In Paintings and Sculptures						65,766,800	76,005,923	
Grand Total		23,859,202	1,511,538	-	25,370,740	436,270,622	342,302,219	



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2017**14. Long Term Loans & advances**

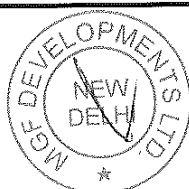
Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Unsecured, considered good		
Capital Advances :-		
Advance Against Land	257,101,089	216,935,452
Security Deposits	261,762,238	246,251,153
Other Loans & Advances :-		
Due From Joint Venture Units against collaborations	1,664,626,133	2,091,954,897
Inter-corporate Deposit Interest Free - Related Parties		
Associates	1,500,000	119,419,636
Inter-corporate Deposit Interest Free - Others	101,325,000	79,100,000
Total Long Term Loans & Advances	2,286,314,460	2,753,661,138

15. Other Non Current Assets

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Fixed Deposits with maturity more than 12months	8,149,033	5,650,878
Total Other Non-Current Assets	8,149,033	5,650,878

16. Current Investment

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Inter-corporate Deposit Interest Free - Related Parties		
Associates	134,030,604	125,285,000
Inter-corporate Deposit Interest Free - Other Parties		
	613,897,350	286,974,026
Investment in Mutual Funds	3,406,386	-
Total Other Current Investment	751,334,340	412,259,026

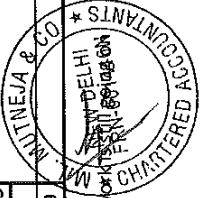


MGF DEVELOPMENTS LIMITED

Note 17 : Details of Inventories for the year ended 31st March 2017

Particulars	As at 31st March, 2017		As at 31st March, 2016	
1 Work-in-progress (As taken Valued and Certified by the Management)				
1a) Construction Work in Progress				
Opening Balance	402,430,093.10		342,655,434.81	
Add : Proportionate Cost of work done during the year	24,978,370.54		192,356,623.29	
	427,408,463.64		535,012,058.10	
Less : Cost of construction charged to Profit & Loss Account	(95,873,177.00)		132,581,965.00	
Closing Balance	523,281,640.64		402,430,093.10	
1b) Land at Kherki Daula	33,967,664.00		33,967,664.00	
Work-in-progress Rs.	557,249,304.64		436,397,757.10	
2 Finished Stock				
2a) (As taken Valued and Certified by the Management)				
Closing inventory of Built-up shops	435,748,455.00		435,748,455.00	
Add: Purchase of Area in Metropolitan Mail - Gurgaon from Columbia Holdings Pvt Ltd	-		-	
Less: Cost of Sale Charged to P&L (for Saket Units)	88,129,033.40		79,215,715.02	
Less : Accumulated Depreciation	-		-	
347,619,421.60			356,532,739.98	
2b) Investment Project - Wazirpur				
Add : Additions additions during the year	2,637,801.00		6,517,793.00	
Less: Amortisation	-		-	
2,637,801.00			6,517,793.00	
Less: Amortisation	-		-	
2,637,801.00			3,879,992.00	
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 : Accumulated Amortisation	46,584,592.75		42,282,490.75	
167,781,959.25			172,084,061.25	
Finished Stock Rs.	515,401,380.85		531,254,602.23	
Grand Total	1,072,650,685.49		967,652,359.33	

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



MGF DEVELOPMENTS LTD.

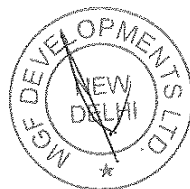
CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2017**18. Trade Receivables**

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Outstanding for a period exceeding six months from the date they are due for payment		
Un-secured, considered good	392,763,844	250,287,948
	392,763,844	250,287,948
Total (A)	392,763,844	250,287,948
Other receivables		
Un-secured, considered good	41,677,886	236,563,586
Total (B)	41,677,886	236,563,586
Total Trade Receivable (A+B)	434,441,730	486,851,533

19. Cash and Cash Equivalents

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Balances with banks		
in current accounts	378,209,030	48,578,378
in fixed deposits with maturity upto 3 months	5,150,895	2,829,955
cheques, drafts on hand	640,826	-
Cash and cash equivalents		
Cash on hand	1,730,317	5,076,972
Total (A)	385,731,068	56,485,305
Other bank balance		
Deposits with Maturity Period		
of more than 3 months but upto 12 months	19,017,937	11,739,110
of more than 12 months	8,149,033	5,650,878
	27,166,970	17,389,988
Less:- Amount disclosed under non-current assets	(8,149,033)	(5,650,878)
Total (B)	19,017,937	11,739,110
Total Cash and Cash Equivalents (A+B)	404,749,005	68,224,414



MGF DEVELOPMENTS LTD.

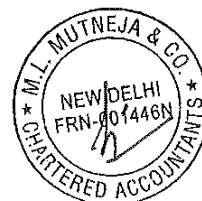
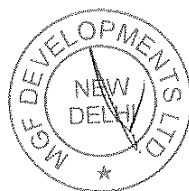
CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2017**20. Short Term Loans & advances**

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Unsecured, considered good		
Loan & Advance to Related Parties		
Booking Advance - Related Party	263,000,000	263,000,000
Loan & Advance to Others		
Business Advances	51,836,109	47,080,865
Advances To Suppliers	30,000	2,300,492
Advances Given to Staff	510,000	30,000
	315,376,109	312,411,357
Total	315,376,109	312,411,357

21. Other Current Assets

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Income Tax Paid	134,945,867	112,883,299
Interest Receivable	1,294,781	1,507,652
Service Tax Input Credit	2,341,773	5,288,186
Prepaid Expenses	1,816,825	4,421,341
Other Receivables	863,754,085	433,609,557
Total other current assets	1,004,153,331	557,710,035



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2017**22. Revenue from operations**

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
a) Sales	52,058,840	366,526,577
b) Rent	128,374,311	114,382,346
c) Other Operating Revenue:-		
Electricity & Water Receipts	17,747,341	21,649,218
Maintenance Income	28,682,948	27,598,084
Transfer Charges	5,680,007	7,241,681
	52,110,295	56,488,983
Revenue from operations (net)	232,543,446	537,397,905

23. Other Income

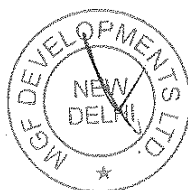
Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Interest Income	17,730,093	15,894,640
Miscellaneous Income	3,181,784	23,060,455
Dividend Income	3,778,274	-
Total Other Income	24,690,152	38,955,095

24. Cost of Materials Consumed

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Cost of Material Consumed	(95,873,177)	132,581,965
Total Cost of material Consumed	(95,873,177.00)	132,581,965.00

25. Purchase of Stock-in-Trade

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Purchase of Stock-in-Trade	-	-
Total Purchase of Stock-in-Trade	-	-



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2017**26. (Increase) / Decrease in Inventories**

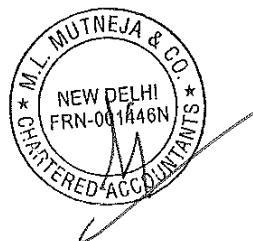
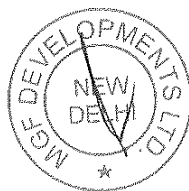
Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Closing stock		
- Finished goods	515,401,380.85	531,254,602.23
- Depreciation for the year	15,853,221.48	17,434,269.10
	531,254,602.33	548,688,871.33
Opening stock		
- Finished goods	531,254,602.33	548,688,871.33
	531,254,602.33	548,688,871.33
Total (Increase) / Decrease in inventory	-	(0.00)

27. Employee benefit expenses

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Salary & Other Allowances	19,566,700	16,834,256
Contribution to PF	1,206,704	1,076,285
Staff Welfare Expenses	571,435	206,543
Total	21,344,839	18,117,084

28. Finance cost

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Interest Charges on Term Loans	52,513,484	27,805,666
Interest Charges OD	-	8,237,783
Interest Charges on ICD	6,485,499	6,506,577
Bank Charges	323,627	2,998,949
Total	59,322,610	45,548,975



MGF DEVELOPMENTS LTD.

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Notes to financial statement for the year ended March 31, 2017**29. Depreciation & Amortisation**

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Depreciation	11,529,459	12,284,114
Amortisation	6,939,903	8,292,404
Total	18,469,362	20,576,518

30. Other Expenses

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Power & Fuel	21,929,356	29,835,227
Rent	38,272,806	13,681,487
Repair & Maintenance Building	5,458,617	3,515,011
Repair & Maintenance Plant & Machinery	2,104,250	3,068,796
Insurance Charges	182,171	699,493
Rates & Taxes	10,683,282	16,883,879
Compensation, Rebate & Discount	35,849,316	187,602,893
Miscellaneous Expenses	32,663,248	11,940,077
Legal & Professional Charges	41,283,867	23,731,968
Facility Management Services	3,633,640	10,683,845
Security Expenses	12,309,804	14,439,471
Tours and Travelling	10,023,491	6,448,639
Loss on Sale of Investments	371,890	-
Total other expenses	214,765,735.92	322,530,785.96

31. Exceptional Items

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Profit on Sale of Investments	4,256,239	-
Profit on Sale of Assets	-	-
Revenue from Operation	-	(37,023,253)
Cost of Material Consumed	-	47,447,111
Total Other Income	4,256,239	10,423,858

32. Earning per share (EPS)

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Net profit/(loss) for calculation of basic /diluted EPS	30,514,322	37,717,000
Weighted average number of equity shares in calculating basic & diluted EPS	59,765,070	29,882,535
Basic / diluted EPS (in Rs.)	0.51	1.26



NOTE 33 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31.03.2017

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 company has complied in all material respects with the Accounting standards notified under the companies Act, 2013.

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 4,00,656.18sq. ft. as per collaboration agreements, free of charges. 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.

Wazirpur Project : The DMRC has further extended this agreement period to 31.07.2017. The cost of this project has been depreciated in full upto 31.03.2017, there is no balance outstanding on this account in the books of the company.

- 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:
- The buyer's agreement is signed.
 - The buyer's investment is adequate to demonstrate a commitment to pay for property.
 - 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, 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) The company has also allotted 60 units (14088.58 sq. ft.) to Economically Weaker Section (EWS) during the year. Income is booked on percentage completion method.



e) Sales Detail :

Sale Details	Amount on Lakhs	
	For the year ended 31.03.2017	For the year ended 31.03.2016
a) Deemed Sale as per AS -7 (after cancellation of units)		
Sales - Metropolis	(859.26)*	463.57
Sales - the Vilas	946.19	202.37
b) Sales - Possession Given	357.66**	2,653.33
c) Club Membership Charges	76.00	346.00
Total Sales	520.59	3,665.27

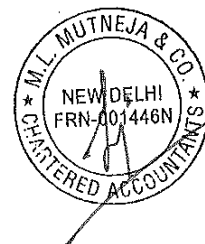
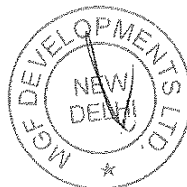
* There has been reduction in deemed sales due to revision in budgeted cost and area as on 31.03.2017 as compared to earlier years.

** This includes net sales returns received back in this year for the sales of Rs. 23.28 crore executed in F.Y. 2015-16 and sold in this financial year for Rs. 22.75 crores.

- 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 exception respect of two complexes.
- 1) First complex: 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 losses from these activities pertain to them. This is being treated as 'Joint Venture' by the company with MGF Estates Management Pvt. Ltd in Balance sheet.
 - 2) Second Complex: The company has constructed residential flats "The Villas". It was handling its maintenance upto 30.09.2016 and thereafter the same has been given to its Residents Welfare Association except 26 units whose Occupancy Certificate is pending.
- h) Income from Registration Fee received from customers on transfer of ownership of property during construction period is accounted for 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.
- i) Income from holding charges, interest on delay payments, life time Club Membership, income from sports and yoga classes, dividend income are on received basis. Preferred location charges, car parking charges and club membership fees are treated as part of sale consideration.
- j) Interest on FDR has been recognized as per the terms of FDR.

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. 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.

c) Detail Cost of Sales :

Cost of Sales Detail	Amount in Lakhs	
	For the year ended 31.03.2017	For the year ended 31.03.2016
a) Deemed cost as per AS -7 (after cancellation of units)		
Project Cost - Metropolis	(1,319.58)*	259.99
Project Cost - the Vilas	165.75	2.53
Project Cost - (Possession given)	195.10	1,063.30
Total Cost of Sales	(958.73)	1,325.82

* There has been reduction in deemed cost due to revision in budgeted cost and area as on 31.03.2017 as compared to earlier years.

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.
 - The company has invested in Mutual Funds during the year. Balance of SBI Treasury Advantage Mutual Funds as on 31.03.2017 is Rs. 34,06,383/- (units 3367.149 M.V.Rs. 34,03,336/-).
- c) Non-current investment includes (1) Unquoted shares of subsidiary companies, (2) Unquoted Shares of associates and other related companies and (3) Paintings.
- d) Current and Non-current investments have been shown 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.

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.

f) **Employees Benefits** :As per actuarial valuation, the liabilities of the company is as under :-

	Amount in Lakhs	
For	As on 31.03.2017	As on 31.03.2016
Gratuity	27.46	26.37
Leave Encashment	13.01	10.99

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 year.

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 31.03.2017 are enclosed (Annexure - A).

c) Security/Performance Guarantees provided to various Government authorities/others Rs. 468.78 Lakhs (Previous year Rs. 468.78 Lakhs)

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



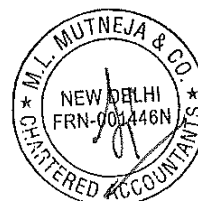
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- e) There is delay in completion of projects under construction and attracts penalty clause as per terms of agreement entered into with the buyers. The amount of penalty, if any, will be ascertained and settled on completion of projects and handing 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.
- 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.)
2004-05	49,24,374	148	The company has filed the appeal.	--	49,24,374
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
2011-12	3,90,15,210	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 company has filed application for rectification u/s 154.	---	1,42,630
2012-13	31,564	143(3)	The company has not made/ not intended to make any application/appeal for Rs. 31,564/- plus interest thereon.		31,564
2013-14	82,948	143(3)	The company has not made/ not intended to make any application/appeal for Rs. 82,948/- plus interest thereon.		82,948
2014-15	2,65,056	143(3)	The company has not made/ not intended to make any application/appeal for Rs. 2,65,056/- plus interest thereon.		2,65,056
2015-16	11,95,240	143(3)	The company has not made/ not intended to make any application/appeal for Rs. 2,40,163/- plus interest thereon. However, company has filed application for rectification u/s 154 for balance amount.		11,95,240
Total				4,84,10,527	1,49,47,793

All above are subject to appeals, rectifications and interests.



i) Commitment against purchase of properties from related parties is Rs.58.86crores (P.Y. Rs. Rs.57.00crores).

j) Jalandhar Project :

- i) The company had conditionally transferred it's 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 year's 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.

k) 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. The company has booked a few units for sale in this project. This matter is matter is pending for execution.

l) 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 Board of directors confirms :

- a) that in the preparation of the annual accounts for the financial year ended 31st March 2017 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, 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, 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 authorized representatives, but not verified by the auditors.
- k) All the related parties transactions have been disclosed separately. There is no other transaction with them.
- 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.

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

- 13.4 The Company has appointed a firm of Company Secretaries to look into its company law matters and it has been confirmed by them vide their certificate dt. 23/08/2017 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.
- 13.5 The company has not purchased its own shares, as specified u/s 69(1) of the Companies Act, 2013 during the year.
- 13.6 The company has not contributed any amount to any political party during the year during the year, as specified u/s 182(3) of the Companies Act, 2013. Further, the company has not contributed to National Defence Fund or similar fund notified for this purpose during the year, as specified u/s 183(2) of the Companies Act, 2013.
- 13.7 a) The company has not received information from vendors/suppliers regarding their status under the micro, small and medium enterprises and hence disclosure relating to amount unpaid as at 31-03-2017 & 31.03.2016 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.
- 13.8 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. External confirmations have not been obtained by the management. However the directors/management confirms all the balances outstanding as on 31.03.2017, which may be payable or recoverable by the company.



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- 13.9 Share Capital :** 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 in financial year 2015-16. The balance amount has also received in this year. There is no outstanding balance now.
- 13.10 Compensation, rebates & Discounts :** The company has provided compensation Rs. 2.38 crores in the books of accounts as per arbitration award dt. 23.03.2017 against breach of an agreement to sell its stocks / property. And balance Rs. 1.21 crores as compensation and rebate on such flats whose possession was given in earlier years.
- 13.11 Trade Receivables :** 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.
- 13.12** There are no payments, relating to any expenditure covered under Section 40A, exceeding Rs. 20,000 (in case of transporters Rs. 35,000) made otherwise than by an account payee cheque/bank draft. However, in the absence of actually paid cheques. 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 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.
- 13.13** 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 is interest free inter corporate deposits from various companies, from directors and on joint venture accounts. Formal agreements are pending for such deposits and joint ventures.
- 13.14** 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.
- 13.15** 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.

- 13.16** (a) Short Term Borrowings includes interest free inter-corporate deposits of Rs. 1.22 crores (P.Y. Rs. 7.15 crores). However, interest is being paid to related party, M/s India Lease Development @8.50% p.a. (P.Y. 8.50%) on ICD and these are repayable on demand or on short notice of about 3 months.
- (b) Long Term Borrowings includes interest free inter-corporate deposits from companies and a director.
- (c) There are no formal agreements for the above borrowings, though there is such understanding.



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

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 Installments:107 (One Hundred and Seven) Equated Monthly Installments (EMI) of Rs.68,34,346/- each, w.e.f. 29.02.2016 followed by 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 aforementioned tenants.

- (b) First and/or Extension of Equitable Mortgage of the related areas in sanction letters.



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(c) Personal Guarantee of Mr. Shravan Gupta.

(d) And/or any other security or equivalent or higher value as may be acceptable to HDFC.

6. Principal Repayment of term loan in other current liabilities has been taken on estimate basis as no repayment schedule is available from bank as interest is on fluctuating rate basis.

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

(a) 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. 66.00 Lakhs), for use by the company.

(b) Other Expenses

Expenses	Amount in Lakhs	
	F.Y. 2016-17	F.Y. 2015-16
Tour and Travelling	100.23	64.49
Car running and Maintenance	16.98	6.32
Business Promotion	58.90	10.56
Total	176.11	81.37

13.19 **Partnership firm**

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

The balance sheet of the above partnership firms are not available from the financial year ended 31.03.2015. This is because disputes are going on amongst partners in various matters. These firms are being looked after by other partners only.

Amount receivables:

Related Parties	Amount in lakhs	
	As on 31.03.2017	As on 31.03.2016
Investment in Partnership - MGF Mall Management	396.66	396.66
Investment in Partnership (MGF Event Management)	64.82	64.82

- 13.20 Cash in hand has been kept in the safe custody with directors / management of the company to meet any contingent expenditure.

13.21 **Corporate Social Responsibility :**

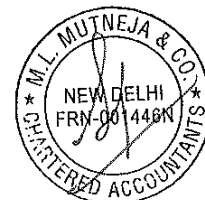
Provision of CSR u/s 135 is not applicable to the company as profit after provision of Income tax is less than 5 cores during the year. Though as per clarification given by the Ministry of Corporate Affairs vide General Circular No. 21/2014, No. 05/01/2014-CSR, dated 18.06.2014, "Any financial year" referred under sub-section (1) of section 135 of the Act read with Rule 3(2) of Companies CSR Rules, 2014, implies 'any of the three preceding financial year'.

However, rule 3(2) states that:

Every company which ceases to be a company covered under sub section (1) of section 135 of the Act for three consecutive financial years shall not be required to -

(a) Constitute a CSR committee; and

(b) Comply with the provisions contained in sub-section (2) to (5) of the said section till such time it meets the criteria specified in sub-section (1) of section 135.



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As the company's net profit is below Rs. 5.00 crores, net worth is below 500 crores and turnover is below 1000 crores in this year, so the provisions of section 135 are not applicable. So, no provision has been made for the same.

- 13.22 a) The company has **written back** the following amount received from various parties in earlier years as under:

S.No	Particulars	Amount in Lakhs	
		F.Y. 2016-17	F.Y. 2015-16
1.	Trade Payable	3.45	201.01
2.	Security deposits	--	22.51
3.	Other Payables	.01	2.45
4.	Total	3.46	225.97

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

S.No.	Particulars	Amount in Lakhs	
		F.Y. 2016-17	F.Y. 2015-16
1.	Trade Receivable	1.43	6.58
2.	Imprest	--	.25
	Total	1.43	6.83

13.23 Joint Venture Projects

- a) **Agreement / Project with Ansal Properties & Industries Ltd. Vide agreement dt. 08.07.2004**

- 1) Members: MGF Developments Ltd. (50%) & Ansal Properties & Infrastructure Ltd. (50%)
With the same ratio of investments, income, expenditure & cost.
- 2) 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. The cost of this project has been depreciated in full upto 31.03.2017, there is no balance outstanding on this account in the books of the company.
- 3) In this year, the net income of the company, from the project was Rs. 2,11,01,650/- (P.Y. Rs. 1,64,55,768/-).
- 4) In the accounts, the income and expenditure on the above has been shown in respective heads of income and expenditure of the company.
- 5) The company owes a sum of Rs. 3.81 crores (P.Y. 2.50 crores) to the other party as on 31.03.2017.



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b) Other Joint Ventures :

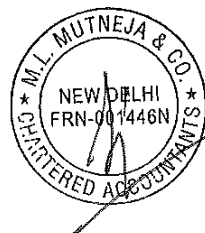
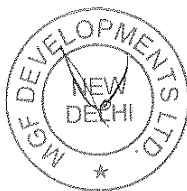
- 1) The company had also entered into joint venture arrangements with the following parties for new prospective projects for which the company has given funds to various companies as detailed under :

Joint venture	Amount in Lakhs				
	Opening Balance	Amount Given	Amount Received	Closing Balance	Maximum Balance
Related Parties	Debit Balance			Debit Balance	Debit Balance
Discovery Holdings Pvt. Ltd.	-	260.35	27.50	232.85	249.85
Motive Construction Pvt Ltd	-	6.44	-	6.44	6.44
Pavni Developers Pvt. Ltd.	-	117.40	-	117.40	117.40
Pushpak Promoters Pvt. Ltd.	214.89	10.29	-	225.18	225.18
Sahayog Buildtech Pvt. Ltd	8,929.10	15,585.91	15,590.00	8,925.00	8,929.10
Shailvi Estates Pvt. Ltd.	712.75	1.00	-	713.75	713.75
Sojanya Promoters Pvt. Ltd.	171.00	-	-	171.00	171.00
SSP Buildcon Pvt Ltd	-	121.50	-	121.50	121.50
Vairagi Projects Pvt. Ltd.	12.91	473.51	-	486.42	486.42
VMR Promoters Pvt. Ltd.	298.38	1.00	0.50	298.88	298.88
Yashasvi Buildtech Pvt. Ltd.	2,041.55	-	2,000.00	41.55	2,041.55
Blitz Builders Pvt. Ltd.	-	118.00	-	118.00	118.00
Soumya Promoters Pvt. Ltd.	-	55.00	-	55.00	55.00
Satin Realtors Pvt. Ltd.	-	10.00	10.00	-	10.00
Kayo Developers Pvt Ltd	2,862.35	256.38	-	3,118.73	3,118.73
North Delhi Metro Mall Pvt. Ltd.	3,670.88	8.82	3,670.88	8.82	3,679.70
Total A	18,913.81	17,025.59	21,298.88	14,640.52	20,342.50
other					
RSA Propbuild Pvt. Ltd	2,005.74	-	-	2,005.74	2,005.74
Total B	2,005.74	-	-	2,005.74	2,005.74
Total A + B	20,919.55	17,025.59	21,298.88	16,646.26	22,348.24

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. No interest or compensation is payable except sharing of joint venture income on their maturity.

In the absence of necessary documents, the auditors are unable to pass comments on these.



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- 2) The company had also entered into joint venture arrangements with the following parties for new prospective projects for which the company has received funds from various companies as detailed under :

Joint venture - Credit Balance	Amount In Lakhs				
	Opening Balance Credit Balance	Amount Paid/ Adjusted	Amount Received/ Adjusted	Closing Balance Credit Balance	Maximum Balance
JV RELATED PARTIES					
Bahubali Services Ltd.	-	-	25.00	25.00	25.00
Card Services India Pvt.Ltd.	651.82	-	-	651.82	651.82
Divine Buildtech Pvt.Ltd.	-	-	131.99	131.99	131.99
Gyan Darshani Exim Pvt Ltd	352.00	-	-	352.00	352.00
MGF Securities Pvt. Ltd.	-	-	100.97	100.97	100.97
Molive Construction Pvt Ltd	10.00	10.00	-	-	10.00
Total A	1,013.82	10.00	257.96	1,261.78	1,271.78
JV OTHER PARTIES					
Dexterity Buildtech Pvt Ltd	1,592.67	1,592.67	-	-	1,592.67
Nanny Infrastructure Pvt Ltd	3,479.51	3,380.92	170.86	269.46	3,479.51
M3m India Private Ltd.*	-	-	3,127.63	3,127.63	3,127.63
Superior Clothing Pvt Ltd	200.00	-	-	200.00	200.00
Yoja Developers Pvt Ltd	942.13	-	-	942.13	942.13
Total B	6,214.31	4,973.59	3,298.49	4,539.21	9,341.93
Total A + B	7,228.13	4,983.59	3,556.44	5,800.99	10,613.71

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.

*M/s M3M India Private Limited had inadvertently deducted the tax at source of Rs. 31.28 lakhs u/s 194 (IA) of income tax act,1961 on the entire amount received. The same has confirmed by the party.

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. No interest or compensation is payable except sharing of joint venture income on their maturity.

In the absence of necessary documents, the auditors are unable to pass comments on these.



13.24 Interest Free Inter-corporate deposits

1. Interest Free Inter-corporate deposits received from various parties for business purpose.

Short Term Borrowings	Opening Balance	Amount Paid	Amount Received	Closing Balance	Amount In Lakhs
					Maximum Balance
Related Parties					
India Lease Developments Ltd	763.00	-	-	763.00	763.00
	763.00	-	-	763.00	763.00
Other Parties					
Aawas Promoters Pvt.Ltd. *	100.00	-	-	100.00	100.00
AKI Organics Pvt.Ltd.	50.00	50.00	-	-	50.00
Sikarwar Developers Pvt.Ltd.	565.00	543.00	-	22.00	565.00
Total	715.00	593.00	-	122.00	715.00

(*) There is Interest free Inter corporate deposit taken from Aawas promoters Pvt. Ltd. Rs. 1 cr. in earlier years but as per MCA data, this company status shown as "amalgamated into another company". The company is looking into matter as the name of amalgamated company is not yet known.

Long Term Borrowings	Opening Balance	Amount Repaid /Adjusted	Amount Received	Closing Balance	Maximum Balance
RELATED PARTIES					
Divine Buildtech Pvt.Ltd. *	126.99	126.99	-	-	126.99
MGF Securities Pvt. Ltd. *	100.97	100.97	-	-	100.97
MGF Estates Managements Pvt. Ltd. **	200.37	90.00	-	110.37	200.37
MGF Promotion & Events Pvt. Ltd.	24.32	-	-	24.32	24.32
MGF Vehicle Sales Pvt.Ltd.	15.00	-	-	15.00	15.00
Pavni Developers Pvt. Ltd.	43.20	43.20	-	-	43.20
Ram Prakash & Co. Pvt. Ltd.	100.00	-	115.00	215.00	215.00
Upper India Hire Purchase Co.Ass. Ltd.	85.00	-	-	85.00	85.00
Total - A	695.85	361.16	115.00	449.69	
OTHER PARTIES					
Baba Lease and Investment Private Limited	100.00	55.00	20.00	65.00	100.00
Manbhav Projects Pvt.Ltd.	173.00	173.00	-	-	173.00
Saum Infra Pvt Ltd	5,933.50	1,623.96	370.26	4,679.80	5,983.50
Total	6,206.50	1,851.96	390.26	4,744.80	
Total A + B	6,902.35	2,213.11	505.26	5,194.49	

(*) There is a joint venture agreement with such parties. Earlier it was shown as interests free inter- corporate deposit under the head Long Term Borrowings inadvertently by misunderstanding since F.Y. 2013-14. This is as per board resolutions, as the terms of the project is under finalization, formal agreements are still pending, though agreed otherwise as per their mutual understanding. The directors are hopeful of getting good returns on the expected projects. The directors consider it necessary not to disclose the project or its terms for business reason to safeguard its interest. These amounts will be returned if the projects do not materialize with the third parties. The auditors are unable to pass comments on this observation in absence of necessary documents.

(**) This ICD includes Joint venture of Rs. 110.37 Lakhs (P.Y. Rs200.37 Lakhs) taken for a prospective project of Estates with 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. The auditors are unable to pass comments on this observation in absence of necessary documents.



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2. Interest Free Inter-corporate deposits given to various parties for business purpose.

Short Term Inter Corporate Deposit	Amount In Lakhs				
	Opening Balance	Amount Paid	Amount Received	Closing Balance	Maximum Balance
Related Parties	Debit Balance			Debit Balance	Debit Balance
Mgf Housing & Infrastrue P Ltd	1.20	-	1.20	-	1.20
Mgf Infotech Pvt Ltd	1.45	-	1.45	-	1.45
Mgf Promoters Pvt Ltd	2.00	-	2.00	-	2.00
Salar Promoters Pvt.Ltd.*	122.00	-	-	122.00	122.00
Samishtli Real Estate Pvt.Ltd.**	778.20	106.30	-	884.50	884.50
Ssp Developers Pvt. Ltd.	50.00	-	14.19	35.81	50.00
Yashoda Promoters Pvt.Ltd.	298.00	-	-	298.00	298.00
Total	1,252.85	106.30	18.84	1,340.31	1,359.15
Previous Year	1,239.35	16.00	2.50	1,252.85	

(*) This ICD includes Joint venture of Rs. 122.00 Lakhs (P.Y. Rs. 122.00 Lakhs) given for a prospective project of Estates with Salar Promoters 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. The auditors are unable to pass comments on this observation in absence of necessary documents.

(**)Samishtli Real Estate Pvt. Ltd. is the wholly owned subsidiary.

Long Term -Inter Corporate Deposit	Amount In Lakhs				
	Opening Balance	Amount Paid	Amount Received	Closing Balance	Maximum Balance
Related Parties	Debit Balance			Debit Balance	Debit Balance
Manbhav Projects Pvt.Ltd.*	-	318.75	100.00	218.75	218.75
Discovery Estates Pvt. Ltd.	874.35	355.97	1,230.32	-	916.28
					275.64 credit
Discovery Holdings Pvt. Ltd.	249.85	-	249.85	-	249.85
Emaar MGF Education Pvt.Ltd.	15.00	-	-	15.00	15.00
Soumya Promoters Pvt.Ltd.	55.00	-	55.00	-	55.00
Aparna Buildcon Pvt.Ltd.	70.00	-	-	70.00	70.00
Total A	1,264.20	674.72	1,635.17	303.75	1,524.88
Other Parties					
Extol Buildcon Pvt.Ltd.	721.00	4.61	1.11	724.50	724.50
Total B	721.00	4.61	1.11	724.50	724.50
Total A + B	1,985.20	679.33	1,636.28	1,028.25	2,249.38

(*) The company has given Rs. 218.75 Lakhs to Manbhav Projects Pvt. Ltd. during the year for a prospective project of Estates. 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. The auditors are unable to pass comments on this observation in absence of necessary documents.



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Other :-

Short Term Inter corporate deposit	Amount In Lakhs				
	Opening Balance Debit Balance	Amount Paid Adjusted	Amount Received Adjusted	Closing Balance Debit Balance	Maximum Balance Debit Balance
Amplify Developers Pvt.Ltd.	-	63.45	-	63.45	63.45
Bounty Builders and Developers Pvt.Ltd.	-	239.30	-	239.30	239.30
Buildout Real Estate Developers Pvt.Ltd.	-	259.80	-	259.80	259.80
Companion Builders Pvt.Ltd.	-	55.80	-	55.80	55.80
Companion Estates Pvt.Ltd.	-	25.40	-	25.40	25.40
Dedicated Buildcon Pvt.Ltd.	-	88.30	-	88.30	88.30
Dexterous Buildcon Pvt.Ltd.	-	105.15	-	105.15	105.15
Ethan Traders Pvt.Ltd.	-	14.90	-	14.90	14.90
GGN Hills Developments Pvt.Ltd.	-	380.05	-	380.05	380.05
Golf Course Road Developments Pvt.Ltd.	-	46.70	-	46.70	46.70
Liberate Builders & Developers Pvt.Ltd.	-	628.90	-	628.90	628.90
Meadows Developments Pvt.Ltd.	-	359.15	1.00	358.15	358.15
Optimum Builders Pvt.Ltd.	-	424.35	-	424.35	424.35
Practical Estates Pvt.Ltd.	-	1.00	-	1.00	1.00
Practical Homes Pvt.Ltd.	-	178.70	-	178.70	178.70
Profusion Real Estate Pvt.Ltd.	-	154.80	-	154.80	154.80
Sector 76 Developments Pvt.Ltd.	-	41.35	-	41.35	41.35
Sprout Tradecom Pvt.Ltd.	-	17.40	-	17.40	17.40
Virtuous Builders Pvt.Ltd.	-	122.30	-	122.30	122.30
Welfare Real Estate Developers Pvt.Ltd.	-	36.30	-	36.30	36.30
Windfall Builders & Developers Pvt.Ltd.	-	131.50	-	131.50	131.50
Zane Devcon Pvt.Ltd.	-	9.60	-	9.60	9.60
Zoey Traders Pvt.Ltd.	-	124.65	-	124.65	124.65
Blossom Conbuild Pvt.Ltd.	335.00	-	-	335.00	335.00
Chirayu Propbuild Pvt.Ltd.	558.00	-	-	558.00	558.00
DTC India Ltd.	59.91	-	59.91	-	59.91
Espace Buildtech Pvt. Ltd.	1.40	-	1.40	-	1.40
Initia Solutions Pvt.Ltd.	372.14	-	-	372.14	372.14
Intra Chemicals & Drugs Pvt Ltd	258.98	-	-	258.98	258.98
PS Techno Systems Pvt.Ltd.	546.00	-	-	546.00	546.00
Zack Estates Pvt.Ltd.	561.00	-	-	561.00	561.00
Related					
SSP Buildcon Pvt Ltd	177.31	7.55	184.86	-	184.86
Total	2,869.74	3,516.40	247.17	6,138.97	6,385.14

3. Above Interest free inter-corporate Deposits - There are no formal agreement / arrangements executed till date in writing for their terms. These are as per board's resolution.

13.25 Key Managerial Personnel :

- The company has appointed Chief Financial Officer on 01.07.2017 as required under section 203 of the companies Act, 2013, read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- 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.
- 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.



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13.26 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 :

A) Key Managerial Personnel / Directors

Mr. Shравan 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
Mr. Vijay Kumar Sharma	CFO, w.e.f. 01.07.2017
Ms. Nupur Jain	Company Secretary

B) Detail of transactions entered into with related parties :

a) Long Term Borrowing includes :-

1. Interest Free deposit Rs. 42.40 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 transaction during the year. It is very old since F.Y. 2008-09 and there is no re-payment terms as it is on the basis of verbal arrangement.

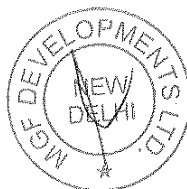
2. Interest Free Inter-corporate deposits from related parties for business purpose. Refer Note. 13.24 (1)

b) Short Term Borrowing includes Interest bearing Inter-corporate deposit from a related party for business purpose.

Related Parties	Amount in Lakhs		
	Opening Balance	Closing Balance	Maximum Balance
India Lease Developments Ltd. (Interest bearing @ 8.50% p.a.)	763.00	763.00	763.00
Interest due to India Lease Developments Ltd.	--	14.39	--
Total	763.00	777.39	
Previous Year	772.81	763.00	

c) Trade Payable includes amount due to related parties.

Related Parties	Amount in Lakhs	
	As on 31-03-2017	As on 31-03-2016
Metroplex Construction Pvt. Ltd.	184.28	184.28
MGF Mall Management	0.89	0.59
Shanti Apparels Manuf. Co. Pvt. Ltd.	28.98	---
Total	214.15	184.87



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

	Particulars	As on 31-03-2017	As on 31-03-2016
1.	Booking Advances received	609.64	609.64
2.	Other Payables - Mr. Sudhir Sareen	46.94	46.94
3.	Advance for CAM & Electricity -Villa	---	2.55
	Total	656.58	659.13

4. Due from joint venture : refer note no. 13.23 (B).

e) Investment with related parties :

1. The company has purchased 15,11,538 equity shares of North Delhi Metro Mall Private Limited @ Rs. 10/- each plus premium of Rs. 58/- each during the year at their fair market prices/book value as on 31.03.2016.
2. Other old Investment in shares with related companies (Refer note no. 13)

f) Long Term Loans & Advances with related parties :-

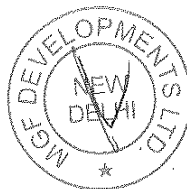
1. Advance against purchase of land: The company has entered into an unregistered agreement dt. 18/02/2015 to purchase the agricultural land from a director (Mr. Shravan Gupta) of the company at a price of Rs 14.50 Crores, against which a payment of Rs14.25crores has been made till 31.03.2016. This agreement is executable by the parties within 36 months on the completion of terms and conditions by the director in respect of the land.

The company has entered into an unregistered supplementary agreement dt. 01.03.2017 has been drawn to extend the above area, its value Rs. 20.00 crores and date of execution of sale to 31.03.2021. The company has paid a sum of Rs 17.88 crores till 31.03.2017 on this account.

2. Advance against purchase of land : The company has entered into an unregistered agreement dt.23.03.2016 to purchase the agricultural land from a director (Mrs. Shilpa Gupta) of the company at a price of Rs. 9.40 crores, against which a payment of Rs 4.09 crores has been made till 31.03.2017. This agreement is executable by the parties within thirty six months from agreement to sell.
3. Security Deposits includes :-
 - a) 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.
 - b) This property is under lease with this company at a lease rent of Rs. 5.50 Lakhs per month w.e.f 01.04.2015 as per unregistered agreement dt. 11.04.2015. The company has also given security deposit Rs. 33.00 lakhs during the year as per terms of agreement.

4. Due from joint venture units against collaboration with related parties. Refer note no. 13.23 ('B).

5. Long Term Interest free Inter-corporate Deposits with Related Parties for Business. Refer note no. 13.24 (2).



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g) **Current Investments** includes Interest free Inter-corporate Deposits with Related Parties for business purpose. Refer note no. 13.24 (2)

h) **Income** from related parties :-

Related Parties	Amount in Lakhs	
	F.Y. 2016-17	F.Y. 2015-16
M/s Discovery Estates Private Limited :		
- Sale	---	2729.25
- Common Area Maintenance	8.96	8.95
-Electricity Re-imburement	0.16	2.39
-Sale M/s Sareen Estates Private Limited:	---	143.48
M/s. Gadokhar Real Estate Pvt. Ltd. :		
- Common Area Maintenance	5.05	4.81
-Electricity Re-imburement	.86	1.18
Total	15.03	2890.06

i) **Expenditure** to related parties :-

Expenses	Amount in Lakhs	
	F.Y. 2016-17	F.Y. 2015-16
Rent Paid to M/s Shanti Apparels Manufacturing Co. Pvt. Ltd.	66.00	66.00
Interest Paid on ICD to M/s India Lease Development ltd.	64.85	65.03
Service Charges paid to Coniza Promoters Pvt. Ltd.	---	0.60
Service Charges paid to Yog Buildtech Pvt. Ltd.	---	0.90
Service Charges paid to Satin Realtors Pvt. Ltd.	---	1.10
Service Charges paid to Yashavi Buildtech Pvt. Ltd.	---	1.30
Service Charges paid to SSP Aviation Ltd.	2.22	---
Service Charges paid to Aryan Life Style Pvt. Ltd.	2.22	---
Service Charges paid to MGF Housing & Infrastructure Pvt. Ltd.	1.33	---
Service Charges paid to MGF Promoter Pvt. Ltd.	2.22	---
Service Charges paid to MGF Infotech Pvt. Ltd.	1.61	---
Service Charges paid to Logistic Buildtech Pvt. Ltd	0.30	---
Service Charges paid to Power Buildtech Pvt. Ltd	0.30	---
Total	141.05	134.93

j) **Sale of Unit cancelled** at cost of related parties :

Related Parties	Amount in Lakhs	
	F.Y. 2016-17	F.Y. 2015-16
Discovery Estates Pvt. Ltd.	1682.20	158.39
Gadhokar Real Estates P. Ltd.	228.48	---

The company has cancelled the above sale (booked in F.Y. 2015-16) in current year and sold the same to other parties.



MGF DEVELOPMENTS LIMITED
CIN: U74899DL1996PLC081965

k) **Trade Receivable** includes amount of Rs. 2702.74 Lakhs (P.Y. 3293.87 Lakhs) due from related parties.

Related Parties			
1.	Divine Buildtech Pvt. Ltd.	7.	Saiesha Projects Pvt. Ltd.
2.	Moonlight Continental Pvt Ltd.	8.	Triyug Projects Pvt.Ltd.
3.	Sareen Estates Pvt. Ltd.	9.	Discovery Estates P.Ltd.-
4.	Magnum Promoters Pvt. Ltd.	10.	Gadhokar Real Estates Private Limited
5.	PKN Trading Private Limited	11.	Columbia Holdings Pvt. Ltd.
6.	Saiesha Developments Pvt.Ltd.		

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. Detail as under : -

Related Parties	Amount in Lakhs	
	As on 31.03.2017	As on 31.03.2016
Investment in Ex-Partnership - MGF Mall Management	396.66	396.66
Investment in Ex-Partnership - MGF Event Management	64.82	64.82
Kerala Cars Pvt. Ltd	255.98	255.98
Logistic Buildtech Pvt. Ltd	78.24	78.24
Siddharth Gupta	134.71	134.71
*Vishnu Apartments Pvt. Ltd.	618.89	1058.72
**MGF Automobiles Ltd.	6988.05	2345.02
Shanti Apparels Manuf. Co. Pvt. Ltd.	0.00	1.95
Total	8537.36	4336.10

*Transactions with Vishnu Apartments Pvt. Ltd. are on current account for the business of the company for which documents are pending to be executed, so the auditors are unable to pass any comments.

** The company has given Rs. 46.43 crores to MGF Automobiles Ltd. during the year for a prospective project of Estates with MGF Automobiles 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. The auditors are unable to pass comments on this observation in absence of necessary documents.

The auditors are unable to pass comments on above due to non-availability of necessary documentary evidence regarding their nature and other particulars u/s 185 / 186 of companies act 2013.

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

Inter Corporate Deposit	Opening Balance	Amount Paid	Amount Received	Closing Balance	Maximum Balance	Nature
Samishil Real Estate Pvt.Ltd.	778.20	106.30	-	884.50	884.50	ICD
Kayo Developers Pvt Ltd	2,862.35	256.38	-	3,118.73	3,118.73	Joint Venture
Total	3,640.55	362.68	-	4,003.23	4,003.23	-
Previous Year	3,632.05	9.50	1.00	3,640.55	3,641.55	



MGF DEVELOPMENTS LIMITED
CIN: U74899DL1996PLC081965

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

Particulars	Amount in Lakhs	
	F.Y. 2016-17	F.Y. 2015-16
Salary :		
Mrs. Shilpa Gupta	7.50	18.00
Employer Contribution of PF :		
Mrs. Shilpa Gupta	1.00	2.16
Total	8.50	20.16

p) The directors confirm that all the above transactions at fair market price, 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.

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

13.27 Income & Expenditure in foreign Currency :

(i) There is no Income in Foreign Currency.

(ii) The Company has incurred Expenditure on Foreign travel of Rs. 22.11 Lakhs (P.Y. Rs. 38.19Lakhs) in foreign exchange during the year.

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

Particulars	Amount in Lakhs	
	F.Y. 2016-17	F.Y. 2015-16
Statutory Audit Fees	8.00	8.00
Tax Audit fees	1.50	1.50
Service Tax	1.43	1.38
Total	10.93	10.88

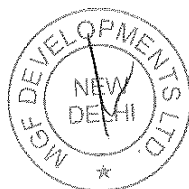
13.29 Vide notification no. F.No. 17/62/2015-CL-V (Vol.I) dated 30th March 2017, issued by Joint Secretary, Ministry of Corporate Affairs, the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 is provided as below.

	SBNs (Rs.)	Other Denomination Notes (Rs.)	Total (Rs.)
Closing cash in hand as on 8-11-2016	38,05,000	10,85,766	48,90,766
(+) Permitted receipts / withdrawal from bank in new currency		4,00,000	4,00,000
(-) Permitted payments	---	--	--
(-) Amount deposited in Banks	(-) 38,05,000	--	(-) 38,05,000
Closing cash in hand as on 30.12.2016	---	14,85,766	14,85,766

13.30 The audit has been conducted on test-check basis as per books of accounts, information & explanation given by the directors.

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.

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



MGF DEVELOPMENTS LIMITED
CIN: U74899DL1996PLC081965

- 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. The accounts have been initialed and stamped by the directors and by the auditors.
- 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 2016-17 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.

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



Rakshit Jain
Director
DIN : 00607288



Arun Mitter
Director
DIN : 00022941



Sangeeta Jagyasi
Partner
M.No. 501559



Vijay Kumar Sharma
CFO



Nupur Jain
Company Secretary
M.NO. 36044

Place: New Delhi
Date: 01.09.2017



Independent Auditor's Report

To the Shareholders of
MGF DEVELOPMENTS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **MGF DEVELOPMENTS LIMITED** ('the Holding Company'), its Subsidiary Companies and its Associate Companies, comprising the consolidated balance sheet as at 31 March 2017, the consolidated statement of profit and loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company including its subsidiaries and associates 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. The respective Board of Directors of the companies included in the consolidated financial statement are responsible for 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the company, as aforesaid.

Auditors Responsibility

Our responsibility is to express an opinion on these consolidated 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.

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.

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 consolidated 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 consolidated financial statements.

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 consolidated audited accounts.

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

Other matters

We did not audit the financial statements and Internal Financial Controls over Financial Reporting of its subsidiary and associate companies. The financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far relating to the amount and disclosures included in respect of subsidiary and associate companies, are based solely on the report of the other auditors and information and explanation given by the management wherever required.

Our opinion on the consolidated financial statements, and our report on other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements together with and subject to all the notes to accounts 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. In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2017; the Consolidated Statement of Profit and Loss of the company for the year ended on that date; and the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

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 companies Act 2013, paragraphs 3 and 4 of the order are not applicable to this company and hence not reported.

As required by section 143(3) of the Act, we report, to the extent applicable, 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 consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) in our opinion, the aforesaid consolidated 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 2017 and taken on record by the Board of Directors of the company and the reports of the other auditor of its subsidiary and associate companies, none of the directors is disqualified as on 31 March 2017 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 consolidated financial statements has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 33(14)(b) to the consolidated financial statements;
 - (ii) the Company ,its subsidiaries and associates 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, its subsidiaries and associates.
- (iv) The Company has provided requisite disclosures in the consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 08 November 2016 to 30 December 2016. Based on audit procedures and relying on the Management representation we report that the disclosures are in accordance with the books of account maintained by the Company and as stated in consolidated note to accounts, para no. 33(15.28) to the consolidated financial statements.

Refer to note no. 33 para 1(C)(1), 1(C)(2), 1(C)(3) and 2(A) of consolidated Notes to Accounts in respect of investment in shares. Such investments could not be verified by us.

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



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

Place : New Delhi
Date : 01.09.2017

✓

Annexure 'B' to the Independent Auditor's Report of even date on the consolidated financial statements of MGF DEVELOPMENTS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **MGF DEVELOPMENTS LIMITED ("the Company")** as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted my our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting **Subject to inadequate internal control system for investment in shares and their holdings.**

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting include those policies and procedures that



- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transaction are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Other matters

We did not audited the financial statements and Internal Financial Controls over Financial Reporting of its subsidiary and associate companies. The financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far relating to the amount and disclosures included in respect of subsidiary and associate companies, are based solely on the report of the other auditors and information and explanation given by the management wherever required.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017 **Subject to inadequate internal control system for investment in shares and their holdings**, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sangeeta Jagyasi
(SANGEETA JAGYASI)
PARTNER

M.NO/501559



Place : New Delhi
Date : 01.09.2017

MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

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	59,76,50,700	32,87,07,885
b) Reserve & Surplus	2	2,15,63,78,276	1,15,19,31,897
Minority Interest	2A	—	—
		2,75,40,28,976	1,48,06,39,782
(2) Non- Current Liabilities			
a) Long term borrowings	3	1,00,51,01,558	1,22,58,84,633
b) Deferred tax liability (net)	4	11,44,25,343	11,23,92,356
c) Other Long Term Liabilities	5	80,21,11,689	80,22,31,275
d) Long-term provisions	6	27,46,212	26,36,722
		1,92,43,84,802	2,14,31,44,986
(3) Current Liabilities			
a) Short term borrowings	7	12,55,39,248	18,34,00,000
b) Trade payables	8	17,47,96,227	20,46,84,900
c) Other current liabilities	9	1,70,88,34,706	1,88,29,17,488
d) Short-term provisions	10	14,82,37,929	13,74,63,017
		2,15,74,08,109	2,40,84,65,405
Total Equity & Liabilities		6,83,58,21,887	6,03,22,50,173
II. ASSETS			
(1) Non-current Assets			
a) Fixed Assets			
i) Tangible Assets	11	1,15,77,733	1,18,47,021
ii) Intangible Assets	12	4,97,303	7,57,921
b) Non-current Investment	13	46,53,74,147	36,53,51,283
c) Long term loans & advances	14	1,97,45,79,282	2,46,75,63,960
d) Other non-current assets	15	81,72,269	56,74,114
		2,46,02,00,734	2,85,11,94,299
(2) Current Assets			
a) Current investment	16	66,28,84,340	33,44,39,026
b) Inventories	17	1,50,00,46,676	1,37,02,04,650
c) Trade receivables	18	45,01,81,376	50,25,91,179
d) Cash and cash equivalents	19	43,08,90,674	9,18,95,349
e) Short-term loans and advances	20	31,53,76,109	31,24,11,357
f) Other current assets	21	1,01,62,41,977	56,95,14,313
		4,37,56,21,152	3,18,10,55,874
Total Assets		6,83,58,21,886	6,03,22,50,174

Summary of significant accounting policies 33 0 -0

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

For reference and as per our report of even date

For and on behalf of the board of directors

For MGF Developments Ltd.

for M. L. Mutneja & Co

Chartered Accountants

FRN : 001446N

(Sangeeta Jagyasi)

Partner

Membership No. : 501559

Place : New Delhi

Dated : 1st September, 2017

(Rakshit Jain)

Director

DIN : 00607288

(Nupur Jain)

Company Secretary

M.No. 36044

(Arun Mitter)

Director

DIN : 00022941

(Vijay Kumar Sharma)

CFO



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Consolidated Statement of Profit and Loss for the year ended 31st March, 2017

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	23,25,43,446	53,73,97,905
II	Other Income	23	2,63,88,039	4,05,91,867
III	III. Total Revenue (I + II)		25,89,31,485	57,79,89,772
IV	Expenses:			
	Cost of Materials Consumed	24	-9,58,73,177	13,25,81,965
	Purchase of Stock-in-Trade	25	0	0
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	4,90,300	6,25,876
	Employee benefit expense	27	2,13,44,839	1,81,17,084
	Financial costs	28	5,93,22,610	4,55,48,975
	Depreciation and amortization expense	29	1,84,69,362	2,05,76,518
	Other expenses	30	21,62,89,862	32,41,65,328
	Total Expenses (IV)		22,00,43,797	54,16,15,746
V	Profit before exceptional and extraordinary items and tax	(III - IV)	3,88,87,688	3,63,74,026
VI	Exceptional Items	31	42,56,239	1,04,23,858
VII	Profit before extraordinary items and tax	(V - VI)	4,31,43,927	4,67,97,884
VIII	Extraordinary Items		0	0
IX	Profit before tax	(VII - VIII)	4,31,43,927	4,67,97,884
X	Tax expense:			
	(1) Current tax		1,09,13,157	1,59,36,540
	(2) (Excess)/Short provision of tax relating to earlier years		0	-4,75,835
	(3) Deferred tax liability/(Assets)		20,32,987	-57,56,175
XI	Profit(Loss) from the period from continuing operations	(IX-X)	1,29,46,144	97,04,530
			3,01,97,783	3,70,93,354
XII	Profit/(Loss) from discontinuing operations of Crimpton Holdings Pvt Ltd of Aryan Life Style Pvt Ltd		0 1,444 81,828	0 80,185 79,817
	Add:- Share of Associates in profits/(Loss) refer note 13		60,54,462	22,44,578
XIII	Tax expense of discounting operations		0	0
XIV	Profit/(Loss) for the period	(XII - XIII)	3,63,35,516	3,94,97,934
XVI	Earning per equity share:	32		
	(1) Basic		0.61	1.32
	(2) Diluted		0.61	1.32

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, 2017

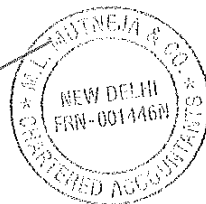
For and on behalf of the board of directors
For MGF Developments Ltd.

(Rakshit Jain)
Director
DIN : 00607288

(Arun Mitter)
Director
DIN : 00022941

(Nupur Jain)
Company Secretary
M.No. 36044

(Vijay Kumar Sharma)
CFO



MGF Developments Ltd.
Cash Flow Statement for the year ended March 31, 2017

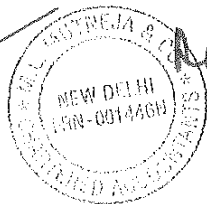
	Consolidated As at 31st March, 2017	Consolidated As at 31st March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation, and extraordinary item	43,134,927	46,788,884
Adjustment for :		
Depreciation & Amortisation	18,469,362	20,576,518
Loss / (Profit) on sale of fixed assets	-	-
Loss / (Profit) on sale of investments	(4,256,239)	-
Interest Expense	59,322,610	45,548,975
Interest Income	(17,821,602)	(15,983,939)
Dividend Income	(3,778,274)	-
Provision for employee leave encashment	1,300,532	1,099,118
Leave Salary Paid	(1,099,118)	(820,810)
Provision for Gratuity	109,490	291,577
Operating profit before working capital changes	95,381,689	97,500,324
Adjustments for :		
(Increase)/Decrease in Inventories	(145,695,248)	(59,178,782)
(Increase)/Decrease in Trade and other Receivables	67,850,279	92,825,986
Increase/(Decrease) in Trade and Other Payables	(218,528,307)	(2,541,182)
Increase/(Decrease) in other current liabilities	(8,358,433)	(180,012)
Increase/(Decrease) in other current assets	(275,368)	(205,047)
Increase/(Decrease) in Provisions	36,211,498	(184,849,559)
Cash generated from operations	(268,795,579)	(154,128,597)
Less - Direct taxes paid	10,913,157	15,460,705
Net Cash From Operating Activities	(184,327,047)	(72,088,978)
B. CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES		
(Purchase) of fixed assets (net)	(2,086,235)	(732,877)
(Purchase) of Investments (net)	(418,157,478)	(262,716,250)
Interest Income	17,821,602	15,983,939
Dividend Income	3,778,274	0
Net Cash From Investing Activities	(398,643,837)	(247,465,188)
C. CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES		
Proceeds from issue of share capital	268,942,815	29,882,535
Proceeds from Security Premium on issue of share capital	968,194,134	107,577,126
Proceeds/(Repayments) form/of Borrowings (Net)	(255,848,128)	142,968,051
Interest Paid	(59,322,610)	(45,548,975)
Net Cash From Financing Activities	921,966,211	234,878,736
Net increase/(decrease) in Cash and Cash Equivalents	338,995,326	(84,675,430)
Cash and Cash Equivalents as at April 1,	91,895,349	176,570,779
Cash and Cash Equivalents as at March 31,	430,890,675	91,895,349
	0.00	

Note:

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

For M.L.Mutneja & Co.
Chartered Accountants

(Sangeeta Jagyasi)
Partner
Membership No. : 501559



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

(Rakshit Jain)
Director
DIN : 00607288

(Nupur Jain)
Company Secretary
M.No. 36044

(Arun Mitter)
Director
DIN : 00022941

(Vijay Kumar Sharma)
CFO



Place : New Delhi
Dated : 1st September, 2017

MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2017**1. Share Capital**

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Authorized shares 600,00,000 (Previous Year 600,00,000) Equity Shares of Rs 10 each	60,00,00,000	60,00,00,000
Issued, Subscribed and fully paid shares Fully Paid Equity Shares 59,765,070 (Previous Year 298,82,535) Equity Shares of Rs 10 each fully paid-up	59,76,50,700	29,88,25,350
Subscribed but not fully paid Nil (Previous Year 298,82,535) Equity Shares of Rs 10/- each i) Rs. 1/- per share Called and Paid-up	-	2,98,82,535
Total	59,76,50,700	32,87,07,885

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, 2017

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.

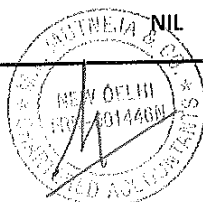
iii) As per records of the company, the above shareholding represents both legal and beneficial ownerships of shares.

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

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
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, 2017	For the year ended March 31, 2016



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2017**d) Details of shareholders holding more than 5% shares in the Company***

Particulars	% Share-holding	No of Shares as at March 31, 2017	% Share- holding	No of Shares as at March 31, 2016
Shravan Gupta	1.50%	8,98,649	6.78%	40,53,649
Discovery Estates Pvt. Ltd.	40.08%	2,39,53,191	23.41%	1,39,92,346
Vishnu Apartments Pvt Ltd	33.33%	1,99,21,690	33.33%	1,99,21,690
SSP Aviation Ltd.	16.67%	99,60,845	33.33%	1,99,21,690
Shilpa Gupta	5.31%	31,75,398	0.03%	20,398

* 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, 2017	For the year ended March 31, 2016
Opening number of issued, subscribed & paid-up equity shares	5,97,65,070	2,98,82,535
Opening amount of issued, subscribed & paid-up equity share capital (Rs)	59,76,50,700	29,88,25,350
Add : Number of equity shares issued during the reporting period	-	2,98,82,535
Add : Amount of partly paid equity shares issued during the reporting period (Rs)	-	2,98,82,535
Closing number of issued, subscribed & paid-up equity shares	5,97,65,070	5,97,65,070
Closing amount of issued, subscribed & paid-up equity shares capital (Rs)	59,76,50,700	32,87,07,885



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2017**2. Reserve & surplus**

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Securities premium account	1,23,93,64,260	27,11,70,126
General reserve	1,23,93,64,260	
Balance as per last account	3,24,39,195	3,24,39,195
	3,24,39,195	3,24,39,195
Capital Reserve		
On account of investment in Subsidiary company	15,99,31,581	15,99,31,581
	15,99,31,581	15,99,31,581
Minority Interest Share(Loss) in subsidiary company Aryan Lifestyle Pvt Ltd		
Aryan Lifestyle Pvt Ltd upto 31.03.2016 (Minority Interest)	(2,02,50,840)	(2,01,71,024)
Share of Minority Interest Profit for the year trf from P & L A/c (Loss of Minority share in subsidiary company adjusted till losses of previous years are not recovered) Refer Note No. 3 below	(81,828)	(79,817)
	(2,03,32,668)	(2,02,50,840)
Minority Interest Share(Loss) in subsidiary company Crimpson Holdings Pvt Ltd		
Crimpson Holdings Pvt Ltd (Minority Interest)	(2,107)	78,078
Share of Minority Interest Profit for the year trf from P & L A/c (Loss of Minority share in subsidiary company adjusted till losses of previous years are not recovered) Refer Note No. 3 below	(1,444)	(80,185)
	(3,551)	(2,107)
Surplus / (Deficit) in the statement of profit and loss		
Balance as per the last financial statement	70,86,43,943	66,91,46,009
Add: profit / (loss) for the year	3,63,35,516	3,94,97,934
Net surplus in the statement of profit & loss	74,49,79,459	70,86,43,943
Total reserve & surplus	2,15,63,78,276	1,15,19,31,897



MGF DEVELOPMENTS LTD.

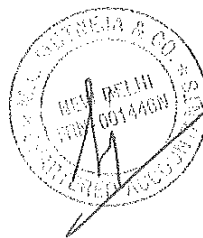
CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2017**2A. MINORITY INTEREST**

Particulars	As at March 31, 2017	As at March 31, 2016
Minority Interest in net assets of subsidiary co. (Crimson Holdings Pvt Ltd- Share 25%)	-2,107	78,078
Add/(Less) : Share of minority interest in Revenue profit/(loss) of current year	(1,444)	(80,185)
Loss to be borne by holding	(3,551)	(2,107)
A	3,551	2,107
	0	0
Minority Interest in net assets of subsidiary co. Aryan Life Style Pvt Ltd- Share 25.59%)	(20,250,840)	(20,171,024)
Add/(Less) : Share of minority interest in Revenue profit/(loss) of current year	(81,828)	(79,817)
	(20,332,668)	(20,250,840)
Less:- Loss in share of Minority Interest trf to Reserve & Surplus A/c i.e	20,332,668	20,250,840
B	0	0
A+B	0	0

3. Long Term Borrowings

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Secured		
Financial Institutions	412,910,877	469,316,788
Unsecured Loans from Related Parties		
Directors	4,240,000	4,240,000
Inter Corporate Deposit (Interest Free)	107,469,329	132,085,028
Inter Corporate Deposit due to Holding Company (MGF Developments Ltd.)	39,695,000	39,695,000
Unsecured Loans from Others		
Other Inter Corporate Deposit (Interest Free)	474,480,000	620,650,000
	1,038,795,206	1,265,986,816
Less:- Amount disclosed under Other Current Liability as current liability (repayable within 12 months)		
Current maturities of Loans from Financial Institution	(33,693,648)	(40,102,183)
	(33,693,648)	(40,102,183)
Total	1,005,101,558	1,225,884,633



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2017**4. Deferred tax liability**

Particulars	For the Year ended March 31, 2017		For the year ended March 31, 2016
Deferred tax liabilities	11,23,92,356		11,81,48,531
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	20,32,987		(57,56,175)
Gross deferred tax liability	11,44,25,343		11,23,92,356
Net deferred tax liability / (asset)	11,44,25,343		11,23,92,356

5. Other Long Term Liabilities

Particulars	For the Year ended March 31, 2017		For the year ended March 31, 2016
Security Deposits from Customers	10,21,11,689		10,22,31,275
Security Deposits - Others	70,00,00,000		70,00,00,000
Total Non Current Liabilities	80,21,11,689		80,22,31,275

6. Long Term Provisions

Particulars	For the Year ended March 31, 2017		For the year ended March 31, 2016
Provision for Employee Benefit	27,46,212		26,36,722
Total Long Term Provision	27,46,212		26,36,722



MGF DEVELOPMENTS LTD.

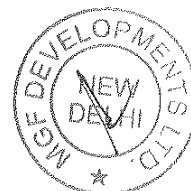
CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2017**7. Short Term Borrowings**

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Unsecured Loans from Related Parties		
Inter Corporate Deposit (Bearing Interest)	7,77,39,248	7,63,00,000
Inter Corporate Deposit (Bearing Free) Saum Infra Pvt. Ltd.	3,56,00,000	3,56,00,000
	11,33,39,248	11,19,00,000
Unsecured Loans from Other Parties		
Inter Corporate Deposit	1,22,00,000	7,15,00,000
	1,22,00,000	7,15,00,000
Total	12,55,39,248	18,34,00,000

8. Trade Payable

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Trade payables		
- others		
Trade Payable for Services	3,06,85,486	4,48,53,577
Trade Payable Project	14,41,10,741	15,98,31,323
	17,47,96,227	20,46,84,900
Total trade payables	17,47,96,227	20,46,84,900



MGF DEVELOPMENTS LTD.

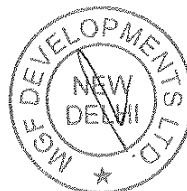
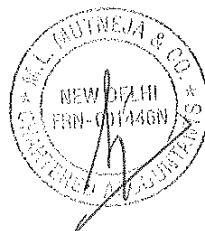
CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2017**9. Other Current Liabilities**

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Current maturities of Loans from Financial Institution	3,36,93,648	4,01,02,183
Booking Advances from Customers	56,65,19,383	54,66,77,187
Book Overdebts	28,64,285	69,38,542
Due to Joint Ventures	61,82,18,499	74,78,30,969
Trade Payable for Capital Goods	1,36,09,385	1,36,09,385
Other Payable	44,27,61,110	49,85,78,051
Advances for CAM & Electricity - Vilas	1,68,398	2,03,88,332
Advances from Tenants	-	3,39,198
Advance received against collaboration agreement (crimson subsidy)	2,500	2,500
Duties & Taxes		
Income Tax	37,61,309	33,95,618
Service Tax	16,93,745	49,62,702
WCT	2,54,32,031	-
Provident Fund	1,10,412	92,820
Total Current Liabilities	1,70,88,34,706	1,88,29,17,488

10. Short Term Provisions

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Provision for taxation	14,54,50,977	13,48,77,479
Provision for FBT	14,86,420	14,86,420
Provision for Leave Salary	13,00,532	10,99,118
Total Short Term Provision	14,82,37,929	13,74,63,017



MGF DEVELOPMENTS LIMITED

CIN : U74899DL1996PLC081965

SCHEDULE OF FIXED ASSETS AS ON 31ST MARCH, 2017

NOTE 11 :- Tangible Assets

	Gross Block				Depreciation				Net Block		
	As at	Additions	Sales / Deletion	As at	As at	For the	Reversal of	Adjustment	Net Deprn. As	As at	As at
	01.04.16 Rs.	Rs.	Rs.	31.03.17 Rs.	01.04.16 Rs.	Period	Depreciation	for the Year	on 31/03/2017	31.03.17 Rs.	31.03.16 Rs.
Building	-	-	-	-	-	-	-	-	-	-	-
Plant & Machinery	1,52,07,477	-	-	1,52,07,477	1,22,81,517	5,84,804	-	-	1,28,66,321	1,28,66,321	23,41,156
Furniture & Fixtures	1,59,98,237	-	-	1,59,98,237	1,50,72,521	1,19,107	-	-	1,51,91,628	1,51,91,628	8,06,609
Vehicles	3,84,73,567	-	-	3,84,73,567	3,56,74,988	5,98,970	-	-	3,62,73,958	3,62,73,958	21,99,609
Office Equipment	50,04,543	5,88,646	-	55,93,189	47,54,308	2,07,268	-	-	49,61,576	49,61,576	6,31,613
Leasehold Improvements	71,49,851	-	-	71,49,851	29,32,197	2,02,116	-	-	31,34,313	31,34,313	40,15,538
Computer	1,13,32,208	14,97,589	-	1,28,29,797	1,06,03,331	6,43,258	-	-	1,12,46,589	1,12,46,589	15,83,208
TOTAL	9,31,65,883	20,86,235	-	9,52,52,118	8,13,18,862	23,55,523	-	-	8,36,74,385	8,36,74,385	1,15,77,733
Previous Year	9,24,33,006	7,32,877	-	9,31,65,883	7,86,35,174	26,83,688	-	-	8,13,18,862	8,13,18,862	1,18,47,021

Note 12 :- Intangible Assets

	Gross Block				Depreciation				Net Block		
	As at	Additions	Sales / Deletion	As at	As at	For the	Reversal of	Adjustment	Net Deprn. As	As at	As at
	01.04.16 Rs.	Rs.	Rs.	31.03.17 Rs.	01.04.16 Rs.	Period	Depreciation	for the Year	on 31/3/2017	31.03.17 Rs.	31.03.16 Rs.
Trade Marks	55,17,050	-	-	55,17,050	49,13,292	2,60,618	-	-	51,73,910	51,73,910	3,43,140
Computer Software	19,26,994	-	-	19,26,994	18,30,644	-	-	-	18,30,644	18,30,644	96,350
Goodwill on acquisition of shares of											
a) Holding Co. - Crimson Holdings (I)	12,061	-	-	12,061	-	-	-	-	-	-	12,061
b) Holding Co. - Kayo developers (P)	9,627	-	-	9,627	-	-	-	-	-	-	9,627
c) Holding Co. - Samishti Real Estate	36,125	-	-	36,125	-	-	-	-	-	-	36,125
TOTAL	75,01,857	-	-	75,01,857	67,43,936	2,60,618	-	-	70,04,554	70,04,554	4,97,303
Previous Year	75,01,857	-	-	75,01,857	62,85,375	4,58,561	-	-	67,43,936	67,43,936	7,57,921

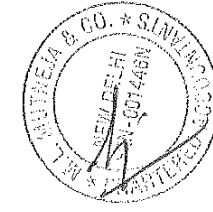
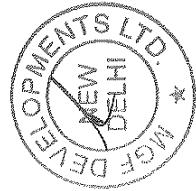


MGF DEVELOPMENTS LTD.

CIN: L17489DL1999PLC003585

Note 13 : Details of Investments for the year ended 31st March 2017

Particulars	Face Value	As on 01-April-17	Additions during the year	Deductions during the year	As on 31-March-17	AMOUNT OF INVESTMENT (RS.)	Add: Capital Reserve at the time of acquisition of shares of associate companies	Less :- Capital Reserve at the time of acquisition of shares of associate companies	Add: Share of accumulated Profits/(Loss) Post acquisition of associates till 31-03-2012	Add: Share of accumulated Profits/(Loss) of associates for the year 2012-13	Add: Share of accumulated Profits/(Loss) of associates for the year 2013-15	Add: Share of Post acquisition losses in associate companies Limited to investment in associate companies	TOTAL INVESTMENTS AS ON 31.03.2015 AFTER PROFITS OF ASSOCIATE COMPANIES	ADDITION DURING THE YEAR	Add: Share of Profits/(Loss) of associates for the year 2015-16	Add: Share of Profits/(Loss) of associates for the year 2016-17	Addback :- Share of Post acquisition losses in associate companies Limited to investment in associate companies	Total Investments As On 31.03.2016 After Profits Of Associate Companies	ADDITION / DELETION DURING THE YEAR F.Y. 2016-17	Add: Share of Profits/(Loss) of associates for the year 2016-17	Share of current year losses in associate companies limited to investment in associate companies	TOTAL INVESTMENTS AS ON 31.03.2017 AFTER PROFITS OF ASSOCIATE COMPANIES	
																							01-April-17
A. NON CURRENT INVESTMENTS																							
a) Long term trade investments (if cost) in companies under same management																							
(I) Associates																							
1) Discovery Holdings Private Limited	10	49,850	12,50,000		49,850	4,98,500	1,75,588	-1,75,588	2,88,29,534	9,44,884	9,44,884	0	2,52,72,417	1,25,31,250	9,74,317	2,62,46,734	3,88,815	2,66,15,549				2,66,15,549	
2) MVR Promoters Private Limited	10	12,50,000			12,50,000	1,25,00,000	0	0	14,35,230	-4,764	-4,764	0	1,39,30,456		-11,651	2,64,50,055	-2,46,295	2,76,24,707				2,76,24,707	
3) MGF Tech Services Private Limited	10	3,500			3,500	35,000	0	0	-30,617	-2,871	-2,871	0	35,000			35,000	0	35,000				35,000	
4) MGF Retail Services Private Limited	10	2,500			2,500	35,000	0	0	-8,61,38,854	-3,24,58,510	-3,24,58,510	11,83,82,859	1,412		-5,14,350	5,14,350	0	0			0	0	
5) SSP Aviation Limited	10	5,20,350			5,20,350	52,13,050	0	0	63,25,517	9,22,314	9,22,314	0	77,47,830		12,81,942	90,28,742	17,68,454	1,07,99,156				1,07,99,156	
(II) Includes Goodwill of Rs. 7,20,939/- on acquisition																							
6) MGF Promotions & Events Pvt Ltd	10	50,000			50,000	5,00,000	0	0	-1,27,64,149	-45,65,765	-45,65,765	1,68,29,914	0		-8,61,582	50,58,393	50,58,393	27,86,30,814				27,86,30,814	
7) MGF Estates Management Pvt Ltd	10	50,000			50,000	5,00,000	0	0				0	0			17,17,59,140	10,27,84,580	-8,92,906	27,86,30,814			27,86,30,814	
8) North Delhi Metro Wipr Private Limited	10	2,71,49,794			2,71,49,794	17,17,39,540	98,89,406	-98,89,406				0	0			0	0	0	0			0	
(III) Other Investments																							
1) EVMAR MGF Education Private Limited	10	20,40,000			20,40,000	2,04,00,000	0	0				0	2,04,00,000			2,04,00,000	0	2,04,00,000				2,04,00,000	
2) Shanti Apparels Private Limited	10	440			440	1,27,37,565	0	0				0	1,27,37,565			1,27,37,565	0	1,27,37,565				1,27,37,565	
3) Discovery Estates Private Limited	10	500			500	5,000	0	0				0	5,000			5,000	0	5,000				5,000	
4) EVMAR MGF Lane Limited	10	3,71,318			3,71,318	1,89,30,946	0	0				0	1,89,30,946			1,89,30,946	0	1,89,30,946				1,89,30,946	
5) Vishnu MGF Land Limited	10	63,000			63,000	3,70,175	0	0				0	3,70,175			3,70,175	0	3,70,175				3,70,175	
6) Vishnu Apartments Private Limited	10	3,65,000			3,65,000	20,000	0	0				0	20,000			20,000	0	20,000				20,000	
7) Hampton International Private Limited	10	2,000			2,000	20,000	0	0				0	20,000			20,000	0	20,000				20,000	
(IV) Other Investments																							
1) Paintings and Sculptures		2,19,19,202			2,19,19,202	32,28,70,344	1,00,12,892	-1,00,12,892	-6,73,48,350	-3,51,65,312	-3,51,65,312	13,02,13,773	35,05,75,455	1,25,31,250	12,66,646	36,53,51,283	9,75,892	60,92,505	11,44,46,648			-8,043	46,53,74,147
Add back																							
1) Loss limited to investment									1,22,64,149	45,65,765	45,65,765	3,68,29,914	0		4,61,582	0	0	0	0				0
2) SSP Aviation Limited									8,09,25,345	3,24,58,510	3,24,58,510	-11,33,83,859	0		5,14,350	0	0	0	0				0
Grand Total		2,19,19,202	17,50,000	0	2,19,19,202	32,28,70,344	1,00,12,892	-1,00,12,892	2,58,46,148	-35,58,903	-35,58,903	0	35,05,75,455	1,25,31,250	22,44,278	36,53,51,283	60,92,505	11,44,46,648	0	0	-8,043	46,53,74,147	



MGF DEVELOPMENTS LTD.

CIN : U74899DL1996PLC081965

Notes to financial statement for the year ended March 31, 2017**14. Long Term Loans & advances**

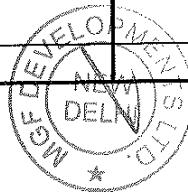
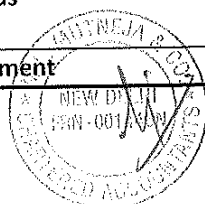
Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
<u>Unsecured, considered good</u>		
<u>Capital Advances :-</u>		
Advance Against Land	25,71,01,089	21,69,35,452
Security Deposits	26,17,62,238	24,62,51,153
<u>Other Loans & Advances :-</u>		
Due From Joint Venture Units against collaborations	1,35,27,53,133	1,80,57,19,897
<u>Inter-corporate Deposit Interest Free - Related Parties</u>		
Associates	15,00,000	11,94,19,636
Inter-corporate Deposit Interest Free - Others	10,13,25,000	7,91,00,000
<u>Amount recoverable in cash or in kind or for value to be recd.</u>		
Aryan Life Style P. Ltd.	1,37,822	1,37,822
Total Long Term Loans & Advances	1,97,45,79,282	2,46,75,63,960

15. Other Non Current Assets

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Fixed Deposits with maturity more than 12months	81,49,033	56,50,878
Preliminary Expenses	23,236	23,236
Total Other Non-Current Assets	81,72,269	56,74,114

16. Current Investment

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
<u>Inter-corporate Deposit Interest Free - Related Parties</u>		
Associates	4,55,80,604	4,74,65,000
<u>Inter-corporate Deposit Interest Free - Other Parties</u>		
	61,38,97,350	28,69,74,026
Investment in Mutual Funds	34,06,386	-
Total Other Current Investment	66,28,84,340	33,44,39,026



MGF DEVELOPMENTS LIMITED

Note 17 : Details of Inventories for the year ended 31st March 2017

Particulars	As at 31st March, 2017		As at 31st March, 2016	
1 Work-in-progress (As taken Valued and Certified by the Management)				
a Construction Work in Progress				
Opening Balance	40,24,30,093		34,26,55,435	
Add : Proportionate Cost of work done during the year	-7,08,94,806		32,49,38,588	
	33,15,35,287		66,75,94,023	
Less : Cost of construction charged to Profit & Loss Account	-19,17,46,354		26,51,63,930	
Closing Balance		52,32,81,641		40,24,30,093
b Land at Kherki Daula		3,39,67,664		3,39,67,664
c <u>WIP in Subsy company - Kayo Developers Pvt Ltd</u>				
Opening Balance (land)	29,97,83,365		30,12,20,322	
Add : expenses transferred from P & L	-12,06,563		-14,66,957	
Add : other additions during the year	2,53,34,000	32,39,10,802	30,000	29,97,83,365
	0			
d <u>WIP in Subsy company - Samishthi Real Estate P. Ltd.</u>				
Opening Balance	10,27,68,926		10,19,27,845	
Add : expenses transferred from P & L	7,16,263	10,34,85,189	8,41,081	10,27,68,926
	0		0	
Work-in-progress Rs.		98,46,45,295		83,89,50,048
2 Finished Stock				
2a) (As taken Valued and Certified by the Management)				
Closing Inventory of Built-up shops	43,57,48,455		43,57,48,455	
Add: Purchase of Area in Metropolitan Mall - Gurgaon from Columbia Holdings Pvt Ltdl	0		0	
	43,57,48,455		43,57,48,455	
Less: Cost of Sale Charged to P&L (for Saket Units)	0		0	
Less : Accumalated Depreciation	8,81,29,033	34,76,19,422	7,92,15,715	35,65,32,740
2b) <u>Investment Project - Wazirpur</u>	26,37,801		65,17,793	
Add : Additions additions during the year	0		0	
	26,37,801		65,17,793	
Less: Amortisation	26,37,801	0	38,79,992	26,37,801
2c) <u>Investment Project - Qutab</u>				
Opening Balance	21,43,66,552		21,43,66,552	
Add : Additions additions during the year	0		0	
	21,43,66,552		21,43,66,552	
Less : Accumalated Amortisation	4,65,84,593	16,77,81,959	4,22,82,491	17,20,84,061
2d) Commercial Rights			6,50,00,000	
Less:- Charged to Profit & Loss A/c			-6,50,00,000	0
Finished Stock Rs.		51,54,01,381		53,12,54,602
Grand Total		1,50,00,46,676		1,37,02,04,650

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



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Notes to financial statement for the year ended March 31, 2017**18. Trade Receivables**

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Outstanding for a period exceeding six months from the date they are due for payment		
Un-secured, considered good	40,85,03,490	26,60,27,594
	40,85,03,490	26,60,27,594
Total (A)	40,85,03,490	26,60,27,594
Other receivables		
Un-secured, considered good	4,16,77,886	23,65,63,586
Total (B)	4,16,77,886	23,65,63,586
Total Trade Receivable (A+B)	45,01,81,376	50,25,91,179

19. Cash and Cash Equivalents

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Balances with banks		
in current accounts	38,30,99,690	5,24,44,045
in fixed deposits with maturity upto 3 months	2,60,13,920	2,22,47,240
cheques, drafts on hand	6,40,826	-
Cash and cash equivalents		
Cash on hand	21,18,300	54,64,955
Total (A)	41,18,72,736	8,01,56,240
Other bank balance		
Deposits with Maturity Period		
of more than 3 months but upto 12 months	1,90,17,937	1,17,39,110
of more than 12 months	81,49,033	56,50,878
	2,71,66,970	1,73,89,988
Less:- Amount disclosed under non-current assets	(81,49,033)	(56,50,878)
Total (B)	1,90,17,937	1,17,39,110
Total Cash and Cash Equivalents (A+B)	43,08,90,674	9,18,95,349



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Notes to financial statement for the year ended March 31, 2017**20. Short Term Loans & advances**

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Unsecured, considered good		
Loan & Advance to Related Parties		
Booking Advance - Related Party	26,30,00,000	26,30,00,000
Loan & Advance to Others		
Business Advances	5,18,36,109	4,70,80,865
Advances To Suppliers	30,000	23,00,492
Advances Given to Staff	5,10,000	30,000
	31,53,76,109	31,24,11,357
Total	31,53,76,109	31,24,11,357

21. Other Current Assets

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Income Tax Paid	13,60,33,430	11,32,43,608
Interest Receivable	16,76,904	18,07,417
Service Tax Input Credit	23,41,773	52,88,186
Prepaid Expenses	18,16,825	44,21,341
Other Receivables	86,51,49,741	43,49,95,213
Security Deposit (Aryan) crimson	92,23,304	92,23,304
	5,35,244	
Total other current assets	1,01,62,41,977	56,95,14,313



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Notes to financial statement for the year ended March 31, 2017**22. Revenue from operations**

Particulars	For the Year ended 31-03-2017	For the year ended 31-03-2016
a) Sales	5,20,58,840	36,65,26,577
b) Rent	12,83,74,311	11,43,82,346
c) Other Operating Revenue:-		
Electricity & Water Receipts	1,77,47,341	2,16,49,218
Maintenance Income	2,86,82,948	2,75,98,084
Transfer Charges	56,80,007	72,41,681
	5,21,10,295	5,64,88,983
Revenue from operations (net)	23,25,43,446	53,73,97,905

23. Other Income

Particulars	For the Year ended 31-03-2017	For the year ended 31-03-2016
Interest Income	1,94,27,980	1,75,31,412
Miscellaneous Income	31,81,784	2,30,60,455
Dividend Income	37,78,274	0
Total Other Income	2,63,88,039	4,05,91,867

24. Cost of Materials Consumed

Particulars	For the Year ended 31-03-2017	For the year ended 31-03-2016
Cost of Material Consumed	-9,58,73,177	13,25,81,965
Total Cost of material Consumed	-9,58,73,177	13,25,81,965

25. Purchase of Stock-in-Trade

Particulars	For the Year ended 31-03-2017	For the year ended 31-03-2016
Purchase of Stock-in-Trade	0	0
Total Purchase of Stock-in-Trade	0	0



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Notes to financial statement for the year ended March 31, 2017**26. (Increase) / Decrease in Inventories**

Particulars	For the Year ended 31-03-2017	For the year ended 31-03-2016
Opening stock		
- Finished goods	53,12,54,602	54,86,88,871
	53,12,54,602	54,86,88,871
Closing stock		
- Finished goods	51,54,01,381	53,12,54,602
- Depreciation for the year	1,58,53,221	1,74,34,269
	53,12,54,602	54,86,88,871
(Increase) / Decrease in inventory (Finished goods)	0	-0
Opening stock		
- WIP -Kayo Developers Pvt Ltd	29,97,83,365	30,12,20,322
- WIP -Samishthi Real Estate Pvt. Ltd.	10,27,68,926	10,19,27,845
Less : Closing stock		
- WIP -Kayo Developers Pvt Ltd	-32,39,10,802	-29,97,83,365
- WIP -Samishthi Real Estate Pvt. Ltd.	-10,34,85,189	-10,27,68,926
Add : Expenses directly debited to Inventory (WIP)	2,53,34,000	30,000
	4,90,300	6,25,876
(Increase) / Decrease in inventory (WIP)		
	4,90,299.59	6,25,876.19

27. Employee benefit expenses

Particulars	For the Year ended 31-03-2017	For the year ended 31-03-2016
Salary & Other Allowances	1,95,66,700	1,68,34,256
Contribution to PF	12,06,704	10,76,285
Staff Welfare Expenses	5,71,435	2,06,543
Total	2,13,44,839	1,81,17,084

28. Finance cost

Particulars	For the Year ended 31-03-2017	For the year ended 31-03-2016
Interest Charges on Term Loans	5,25,13,484	2,78,05,666
Interest Charges OD	0	82,37,783
Interest Charges on ICD	64,85,499	65,06,577
Bank Charges	3,23,627	29,98,949
Total	5,93,22,610	4,55,48,975

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Notes to financial statement for the year ended March 31, 2017**29. Depreciation & Amortisation**

Particulars	For the Year ended 31-03-2017	For the year ended 31-03-2016
Depreciation	1,15,29,459	1,22,84,114
Amortisation	69,39,903	82,92,404
Total	1,84,69,362	2,05,76,518

30. Other Expenses

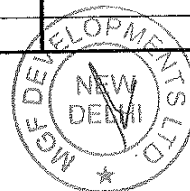
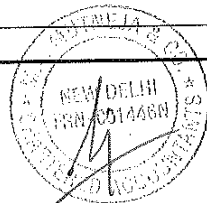
Particulars	For the Year ended 31-03-2017	For the year ended 31-03-2016
Power & Fuel	2,26,17,196	3,06,47,576
Rent	3,82,72,806	1,36,81,487
Repair & Maintenance Building	54,58,617	35,15,011
Repair & Maintenance Plant & Machinery	21,04,250	30,68,796
Insurance Charges	1,82,171	6,99,493
Rates & Taxes	1,06,86,582	1,69,15,790
Compensation, Rebate & Discount	3,58,49,316	18,76,02,893
Miscellaneous Expenses	3,30,81,056	1,21,69,734
Legal & Professional Charges	4,16,99,045	2,42,92,593
Facility Management Services	36,33,640	1,06,83,845
Security Expenses	1,23,09,804	1,44,39,471
Tours and Travelling	1,00,23,491	64,48,639
Loss on Sale of Investments	3,71,890	0
Total other expenses	21,62,89,862	32,41,65,328

31. Exceptional Items

Particulars	For the Year ended 31-03-2017	For the year ended 31-03-2016
Profit on Sale of Investments	42,56,239	0
Profit on Sale of Assets	0	0
Revenue from Operation	0	-3,70,23,253
Cost of Material Consumed	0	4,74,47,111
Total Other Income	42,56,239	1,04,23,858

32. Earning per share (EPS)

Particulars	For the Year ended 31-03-2017	For the year ended 31-03-2016
Net profit/(loss) for calculation of basic /diluted EPS	3,63,35,516	3,94,97,934
Weighted average number of equity shares in calculating basic & diluted EPS	5,97,65,070	2,98,82,535
Basic / diluted EPS (in Rs.)	1	1



NOTE 33 : SIGNIFICANT ACCOUNTING POLICIES AND CONSOLIDATED NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31.03.2017

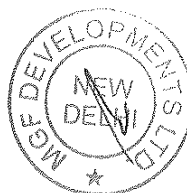
1. Basis of Preparation of Consolidated Financial Statements

- a) The consolidated 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 company has complied in all material respects with the Accounting standards notified under the companies Act, 2013.
- b) The consolidated 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.
- c) **The holding company, MGF Developments Ltd. has the following Subsidiary u/s 2(87) and Associate companies u/s 2(6) whose financial accounts have been consolidated:**

1) Subsidiary Companies :-

S.No.	Companies	Relation with holding company	Date of Acquisition of shares	Country of Incorporation	% of Shares
1	Samisthi Real Estate Pvt. Ltd.	Wholly owned Subsidiary	01.09.2014	India	100%
2	Kayo Developers Pvt. Ltd.	Wholly owned Subsidiary	22.12.2011	India	100%
3	Crimpsom Holdings Pvt. Ltd.	Subsidiary	20.09.2011	India	75%
4	Aryan Life Style Pvt. Ltd. *	Subsidiary	30.07.2009	India	74.41%

*The company MGF Developments Ltd. holds 6,40,000 (Six Lakh Forty Thousand) equity shares in Aryan Life Style Pvt. Ltd.(related party) as per its annual accounts as on 31.03.2015. Besides, the company also holds 2,60,00,000 (Two Crore Sixty Lakh) equity shares in the same company on returnable basis. These 2,60,00,000 (Two Crore Sixty Lakh) equity shares are returnable to SSP Aviation Ltd. (a related party) on 31.03.2018. No consideration has been paid or receivable against the same at any time. The company has considered all these equity shares i.e. 2,66,40,000 (Two Crore Sixty Six Lakh Forty Thousand) for the purpose of consolidation of accounts as per a Legal Opinion received from a firm of Chartered Accountants.



2) Associate Companies :-

S.No.	Companies	Relation with holding company	Date of Acquisition of shares	Country of Incorporation	% of Shares
1	Discovery Holding Pvt Ltd	Associate	11.12.2002	India	49.85%
2	VMR Promoters Pvt. Ltd.	Associate	07.08.2007	India	25%
	VMR Promoters Pvt. Ltd.	Associate	01.04.2015	India	25%
3	MGF Retail Services Pvt. Ltd.	Associate	02.04.2007	India	35%
4	SSP Aviation Ltd.	Associate	30.04.2008	India	26.02%
5	MGF Promotions & Events Pvt. Ltd.	Associate	16.06.2011	India	50%
6	MGF Estates Management Pvt. Ltd.	Associate	05.07.2011	India	50%
7	North Delhi Metro Mall Pvt. Ltd.	Associate	12.09.2008	India	12.25%
	North Delhi Metro Mall Pvt. Ltd.	Associate	09.03.2015	India	15.75%

The company has 3500 (Three Thousand Five Hundred) equity shares in MGF Retail Services Pvt. Ltd. out of its total paid up share capital of 10000 (Ten Thousand) equity shares, but the company MGF Retail Services Pvt. Ltd. had applied for striking off its name on 15.03.2016 and no accounts have been prepared and filed by the company thereafter and so the same have been ignored and not considered / verified by auditors. The name of the company has been stricken off by Registrar of Companies, but the shares are yet to be written off.

3) Other Companies :-

- a) The company holds 2000 (Two Thousand) equity shares in Hampton International (India) Pvt. Ltd. The annual accounts of the company of F.Y. 2016-17 are not available for the consideration of the company for consolidation of accounts etc. and so the same has been ignored and not considered / verified by auditors. As per Company Master Data, this company has been stricken off and it had filed its last balance sheet of F.Y. 2012-13.
- b) The company holds 3500 (Three Thousand Five Hundred) equity shares in MGF Holding Pvt. Ltd. (related party). The annual accounts of the company of F.Y. 2016-17 are not available for the consideration of the company for consolidation of accounts etc. and so the same has been ignored and not considered / verified by auditors.
- c) The company holds 20,40,000 (Twenty Lakh Forty Thousand) equity shares in Emaar MGF Education Pvt. Ltd. The annual accounts of the company of F.Y. 2016-17 are not available for the consideration of the company for consolidation of accounts etc. and so the same has been ignored and not considered / verified by auditors.



- d) In these notes, 'Company' refers to all the companies taken together.
- e) Annual audited accounts of all companies have been consolidated on the basis of audited accounts of all companies as produced by the company and as adopted by Board of directors.
- f) The company is preparing Consolidated Financial Statements with subsidiary company as per Accounting Standard 21 (AS-21)-"Consolidated Financial Statements".

2. Principles of Consolidation :

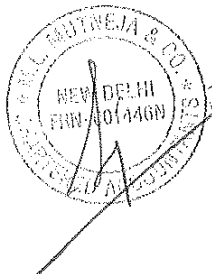
A. Subsidiary Company :

The financial statements of the holding company and its subsidiary company have been combined on the -line-to-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balance and intra-group transactions resulting in unrealized profits or losses except the holding company had made an advance of Rs.3,96,95,000/- (Three Crore Ninety Six Lakh Ninety Five Thousand only) to Aryan Life Style Pvt. Ltd. in F.Y. 2007-08, which has been written off by it in F.Y. 2010-11 as irrecoverable as Aryan Life Style Pvt. Ltd. has no funds to repay this amount because of heavy losses upto F.Y. 2010-11. However, the company Aryan Life Style Pvt. Ltd. is continuing to show the same as repayable un-secured loan due to this company till 31.03.2017. Therefore, this amount has been shown separately as "inter-corporate deposit due to holding company" under the head Long Term Borrowings in the consolidated accounts of the year.

The amount of equity of the consolidated subsidiary attributable to minority is identified and adjusted in minority interest. Minority interest's share of net assets is presented separately in the balance sheet. However, when minority interest comes in negative, it is adjusted against majority interest i.e. adjusted against the reserves and surplus of the group. Minority interest's share of net profit/loss for the year of consolidated subsidiary is identified and adjusted against the Profit & Loss of the group after tax.

Any excess of the cost to the parent of its investment in a subsidiary over the parent's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made, should be described as 'goodwill' to be recognized as an asset in the consolidated financial statements. When the cost to the parent of its investment in a subsidiary is less than the parent's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made, the difference should be treated as 'capital reserve' in the consolidated financial statements.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements in accordance with AS-21 "Consolidated Financial Statements".



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B. Associate Company :

The Investments in associates have been revalued using the equity method of accounting in accordance with AS-23 "Accounting for Investments in Associates in Consolidated Financial Statements" whereby the investment is initially recorded at cost, identifying any goodwill / capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the investor's share of net assets of the investee. We have computed carrying amount of the investment on the basis of values as on the last date of the financial year of such acquisition as per the information available on these dates as it was not practicable to do such calculations date wise.

3. Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary and Associate companies :-

Name of the Enterprises	Net Asset i.e. total asset minus total liability		Share in profit and loss	
	AS % of consolidated net asset	Amount (Rs.)	AS % of consolidated profit or loss	Amount (Rs.)
Parent				
MGF DEVELOPMENTS LIMITED	101.83%	2,804,430,083	83.96%	30,514,322
Subsidiary Companies				
Crimpsom Holdings Pvt Ltd	0.00%	(14,204)	-0.02%	(5,775)
Kayo Developers Pvt Ltd	0.00%	90,873	0.00%	0
Samisthi Real Estate Pvt Ltd	0.00%	100,000	0.00%	0
Aryan Life Style Private Limited	-2.89%	(79,721,115)	-0.88%	(319,764)
Minority Interests in all subsidiaries	0.00%	0	0.23%	83,271
Associate Companies				
Discovery Holdings Private Limited	0.97%	26,615,549	1.01%	368,815
VMR Promoters Private Limited	1.00%	27,624,707	-0.68%	(248,295)
MGF Retail Services Private Limited	0.00%	1,412	0.00%	0
SSP Aviation Limited	0.00%	0	0.02%	8,043
MGF Promotions & Events Pvt Ltd	0.39%	10,798,196	4.87%	1,768,454
MGF Estates Management Pvt Ltd	0.18%	5,058,393	13.92%	5,058,393
North Delhi Metro Mall Private Limited	9.94%	273,630,814	-2.46%	(892,906)



4. Use of Estimate

The preparation and presentation of consolidated 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.

5. 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.

6. 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.

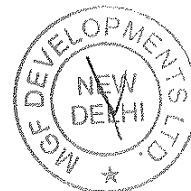
b) Inventories has been physically verified, taken & valued by the management at cost / on the basis of Percentage of works completed at site, as earlier.

c) The current inventory is after transfer of the part of the built up property of the company of 4,00,656.18sq. ft. as per collaboration agreements, free of charges. 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.



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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.

Wazirpur Project : The DMRC has further extended this agreement period to 31.07.2017. The cost of this project has been depreciated in full upto 31.03.2017, there is no balance outstanding on this account in the books of the company.

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.

7. Revenue Recognition

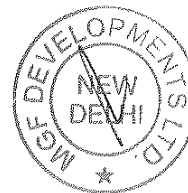
a) Revenue is recognized on sold areas only and in case of built up or under construction properties, revenue is recognized on percentage completion basis as prescribed in Accounting Standard – 7 (revised 2002), “Accounting for Construction Contracts”. The revenue is recognized when following conditions 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, 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) The company has also allotted 60 units (14088.58 sq. ft.) to Economically Weaker Section (EWS) during the year. Income is booked on percentage completion method.



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e) Sales Detail :

Sale Details	Amount on Lakhs	
	For the year ended 31.03.2017	For the year ended 31.03.2016
a) Deemed Sale as per AS -7 (after cancellation of units)		
Sales - Metropolis	(859.26)*	463.57
Sales - the Vilas	946.19	202.37
b) Sales - Possession Given	357.66**	2,653.33
c) Club Membership Charges	76.00	346.00
Total Sales	520.59	3,665.27

* There has been reduction in deemed sales due to revision in budgeted cost and area as on 31.03.2017 as compared to earlier years.

** This includes net sales returns received back in this year for the sales of Rs. 23.28 crore executed in F.Y. 2015-16 and sold in this financial year for Rs. 22.75 crores.

- 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 exception respect of two complexes.
- 1) First complex: 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 losses from these activities pertain to them. This is being treated as 'Joint Venture' by the company with MGF Estates Management Pvt. Ltd in Balance sheet.
 - 2) Second Complex: The company has constructed residential flats "The Villas". It was handling its maintenance upto 30.09.2016 and thereafter the same has been given to its Residents Welfare Association except 26 units whose Occupancy Certificate is pending.
- h) Income from Registration Fee received from customers on transfer of ownership of property during construction period is accounted for 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.
- i) Income from holding charges, interest on delay payments, life time Club Membership, income from sports and yoga classes, dividend income are on received basis. Preferred location charges, car parking charges and club membership fees are treated as part of sale consideration.
- j) Interest on FDR has been recognized as per the terms of FDR.



8. 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. 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.

c) Detail Cost of Sales :

Cost of Sales Detail	Amount in Lakhs	
	For the year ended 31.03.2017	For the year ended 31.03.2016
a) Deemed cost as per AS -7 (after cancellation of units)		
Project Cost - Metropolis	(1,319.58)*	259.99
Project Cost - the Vilas	165.75	2.53
Project Cost - (Possession given)	195.10	1,063.30
Total Cost of Sales	(958.73)	1,325.82

* There has been reduction in deemed cost due to revision in budgeted cost and area as on 31.03.2017 as compared to earlier years.

9. 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.

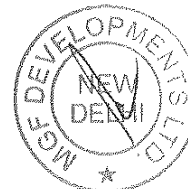
b) Current investment includes

- Interest free Inter-corporate deposits with companies. There are no formal agreements for the same.
- The company has invested in Mutual Funds during the year. Balance of SBI Treasury Advantage Mutual Funds as on 31.03.2017 is Rs. 34,06,383/- (units 3367.149 M.V.Rs. 34,03,336/-) .

c) Non-current investment includes (1) Unquoted Shares of associates and other related companies and (2) Paintings.

d) All above are stated at cost except investment in unquoted equity shares of associate companies holding more than 20% shares. These are stated at carrying amount or nil if loss exceeds the amount of investment.

e) 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.



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

10. 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.

11. 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.

12. 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

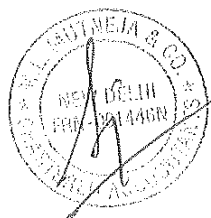
Retirement benefit in the form of Gratuity is considered as defined benefit obligation and is provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

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.



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

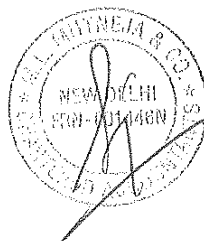
For	As on 31.03.2017	As on 31.03.2016
Gratuity	27.46	26.37
Leave Encashment	13.01	10.99

13. Earnings Per Share

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

14. 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 31.03.2017 are enclosed (Annexure - A).
- c) Security/Performance Guarantees provided to various Government authorities/others Rs. 468.78 Lakhs (Previous year Rs. 468.78 Lakhs)
- 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.
- 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.

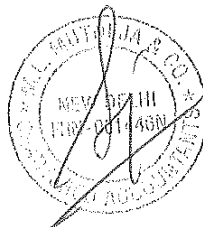


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h) Outstanding Income Tax demands as per Income Tax Website and their status are as under:

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.)
2004-05	49,24,374	148	The company has filed the appeal.	--	49,24,374
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
2011-12	3,90,15,210	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 company has filed application for rectification u/s 154.	---	1,42,630
2012-13	31,564	143(3)	The company has not made/ not intended to make any application/appeal for Rs. 31,564/- plus interest thereon.		31,564
2013-14	82,948	143(3)	The company has not made/ not intended to make any application/appeal for Rs. 82,948/- plus interest thereon.		82,948
2014-15	2,65,056	143(3)	The company has not made/ not intended to make any application/appeal for Rs. 2,65,056/- plus interest thereon.		2,65,056
2015-16	11,95,240	143(3)	The company has not made/ not intended to make any application/appeal for Rs. 2,40,163/- plus interest thereon. However, company has filed application for rectification u/s 154 for balance amount.		11,95,240
Total				4,84,10,527	1,49,47,793

All above are subject to appeals, rectifications and interests.



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i) Commitment against purchase of properties from related parties is Rs.58.86crores (P.Y. Rs. Rs.57.00crores).

j) Jalandhar Project :

- i) The company had conditionally transferred it's 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 year's 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.

k) 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. The company has booked a few units for sale in this project. This matter is matter is pending for execution.

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

15. General Notes on Accounts

15.1 The Company has been carrying the business of Real Estate Developers & given some of its properties on lease during the year. The sales have been recognized on Percentage completion method. However 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.

15.2 Cash Flow Statement as required u/s 2(40) of the Companies Act, 2013 is enclosed as part of financial statements.

15.3 Board of directors confirms :

- a) that in the preparation of the annual accounts for the financial year ended 31st March 2017 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, 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, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; though some records are under preparation.



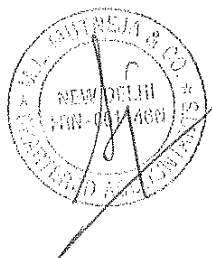
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- d) that the Directors acknowledges and understands its responsibility for all the matter stated in the annual accounts including notes of accounts of the company.
- e) that the directors have prepared the annual accounts on a 'going concern basis'.
- 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 at least 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 authorized representatives, but not verified by the auditors.
- k) All the related parties transactions have been disclosed separately. There is no other transaction with them.
- 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.

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.

15.4 The Company has appointed a firm of Company Secretaries to look into its company law matters and it has been confirmed by them vide their certificate dt. 23/08/2017 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.

15.5 The company has not purchased its own shares, as specified u/s 69(1) of the Companies Act, 2013 during the year.



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- 15.6** The company has not contributed any amount to any political party during the year during the year, as specified u/s 182(3) of the Companies Act, 2013. Further, the company has not contributed to National Defence Fund or similar fund notified for this purpose during the year, as specified u/s 183(2) of the Companies Act, 2013.
- 15.7** a) The company has not received information from vendors/suppliers regarding their status under the micro, small and medium enterprises and hence disclosure relating to amount unpaid as at 31-03-2017 & 31.03.2016 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.
- 15.8** 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. External confirmations have not been obtained by the management. However the directors/management confirms all the balances outstanding as on 31.03.2017, which may be payable or recoverable by the company.
- 15.9 Share Capital** :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 in financial year 2015-16.The balance amount has also received in this year. There is no outstanding balance now.
- 15.10 Compensation, rebates & Discounts** :The company has provided compensation Rs. 2.38 crores in the books of accounts as per arbitration award dt. 23.03.2017 against breach of an agreement to sell its stocks / property. And balance Rs. 1.21 crores as compensation and rebate on such flats whose possession was given in earlier years.
- 15.11 Trade Receivables** :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.
- 15.12**There are no payments, relating to any expenditure covered under Section 40A, exceeding Rs. 20,000 (in case of transporters Rs. 35,000) made otherwise than by an account payee cheque/bank draft. However, in the absence of actually paid cheques. 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 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.
- 15.13**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 is interest free inter corporate deposits from various companies, from directors and on joint venture accounts. Formal agreements are pending for such deposits and joint ventures.



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15.14 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.

15.15 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.

15.16 (a) Short Term Borrowings includes interest free inter-corporate deposits of Rs. 1.22 crores (P.Y. Rs. 7.15 crores). However, interest is being paid to related party, M/s India Lease Development @8.50% p.a. (P.Y. 8.50%) on ICD and these are repayable on demand or on short notice of about 3 months.

(b) Long Term Borrowings includes interest free inter-corporate deposits from companies and a director.

(c) There are no formal agreements for the above borrowings, though there is such understanding.

(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.

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

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:-



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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 Installments:107 (One Hundred and Seven) Equated Monthly Installments (EMI) of Rs.68,34,346/- each, w.e.f. 29.02.2016 followed by 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 aforementioned tenants.
 - (b) First and/or Extension of Equitable Mortgage of the related areas in sanction letters.
 - (c) Personal Guarantee of Mr. Shravan Gupta.
 - (d) And/or any other security or equivalent or higher value as may be acceptable to HDFC.
6. Principal Repayment of term loan in other current liabilities has been taken on estimate basis as no re-payment schedule is available from bank as interest is on fluctuating rate basis.



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

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

(b) Other Expenses

Expenses	Amount in Lakhs	
	F.Y. 2016-17	F.Y. 2015-16
Tour and Travelling	100.23	64.49
Car running and Maintenance	16.98	6.32
Business Promotion	58.90	10.56
Total	176.11	81.37

15.19 Partnership firm

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

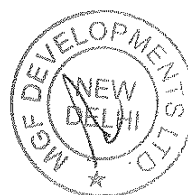
The balance sheet of the above partnership firms are not available from the financial year ended 31.03.2015. This is because disputes are going on amongst partners in various matters. These firms are being looked after by other partners only.
 Amount receivables:

Related Parties	Amount in lakhs	
	As on 31.03.2017	As on 31.03.2016
Investment in Partnership - MGF Mall Management	396.66	396.66
Investment in Partnership (MGF Event Management)	64.82	64.82

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

15.21 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. Though as per clarification given by the Ministry of Corporate Affairs vide General Circular No. 21/2014, No. 05/01/2014-CSR, dated 18.06.2014, "Any financial year" referred under sub-section (1) of section 135 of the Act read with Rule 3(2) of Companies CSR Rules,2014, implies 'any of the three preceding financial year'.



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However, rule 3(2) states that:

Every company which ceases to be a company covered under sub section (1) of section 135 of the Act for three consecutive financial years shall not be required to –

- (a) Constitute a CSR committee; and
- (b) Comply with the provisions contained in sub-section (2) to (5) of the said section till such time it meets the criteria specified in sub-section (1) of section 135.

As the company's net profit is below Rs. 5.00 crores, net worth is below 500 crores and turnover is below 1000 crores in this year, so the provisions of section 135 are not applicable. So, no provision has been made for the same.

- 15.22 a)** 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. 2016-17	F.Y. 2015-16
1.	Trade Payable	3.45	201.01
2.	Security deposits	--	22.51
3.	Other Payables	.01	2.45
4.	Total	3.46	225.97

- b) 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. 2016-17	F.Y. 2015-16
1.	Trade Receivable	1.43	6.58
2.	Imprest	--	.25
	Total	1.43	6.83

15.23 Joint Venture Projects

- a) **Agreement / Project with Ansal Properties & Industries Ltd. Vide agreement dt. 08.07.2004**

- 1) Members: MGF Developments Ltd. (50%) & Ansal Properties & Infrastructure Ltd. (50%)
With the same ratio of investments, income, expenditure & cost.
- 2) 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.



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iii) The company is writing off 1/12th this cost in Profit & Loss A/c every year. The cost of this project has been depreciated in full upto 31.03.2017, there is no balance outstanding on this account in the books of the company.

3) In this year, the net income of the company, from the project was Rs. 2,11,01,650/- (P.Y. Rs. 1,64,55,768/-).

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

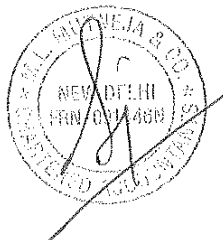
5) The company owes a sum of Rs. 3.81 crores (P.Y. 2.50crores) to the other party as on 31.03.2017.

b) Other Joint Ventures :

1) The company had also entered into joint venture arrangements with the following parties for new prospective projects for which the company has given funds to various companies as detailed under :

Joint venture	Amount in Lakhs (Rs.)				
	Opening Balance Debit Balance	Amount Given	Amount Received	Closing Balance Debit Balance	Maximum Balance Debit Balance
Discovery Holdings Pvt. Ltd.	-	260.35	27.50	232.85	249.85
Motive Construction Pvt Ltd	-	6.44	-	6.44	6.44
Pavni Developers Pvt. Ltd.	-	117.40	-	117.40	117.40
Pushpak Promoters Pvt. Ltd.	214.89	10.29	-	225.18	225.18
Sahayog Buildtech Pvt. Ltd	8,929.10	15,585.91	15,590.00	8,925.00	8,929.10
Shailvi Estates Pvt. Ltd.	712.75	1.00	-	713.75	713.75
Sojanya Promoters Pvt.Ltd.	171.00	-	-	171.00	171.00
SSP Buildcon Pvt Ltd	-	121.50	-	121.50	121.50
Vairagi Projects Pvt. Ltd.	12.91	473.51	-	486.42	486.42
VMR Promoters Pvt. Ltd.	298.38	1.00	0.50	298.88	298.88
Yashasvi Buildtech Pvt.Ltd.	2,041.55	-	2,000.00	41.55	2,041.55
Blitz Builders Pvt.Ltd.	-	118.00	-	118.00	118.00
Soumya Promoters Pvt.Ltd.	-	55.00	-	55.00	55.00
Satin Realtors Pvt.Ltd.	-	10.00	10.00	-	10.00
North Delhi Metro Mall Pvt.Ltd.	3,670.88	8.82	3,670.88	8.82	3,679.70
Total A	16,051.46	16,769.21	21,298.88	11,521.79	17,223.77
other					
RSA Propbuild Pvt. Ltd	2,005.74	-	-	2,005.74	2,005.74
Total B	2,005.74	-	-	2,005.74	2,005.74
				2,005.74	2,005.74
Total A + B	18,057.20	16,769.21	21,298.88	13,527.53	19,229.51

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.



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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. No interest or compensation is payable except sharing of joint venture income on their maturity.

In the absence of necessary documents, the auditors are unable to pass comments on these.

- 2) The company had also entered into joint venture arrangements with the following parties for new prospective projects for which the company has received funds from various companies as detailed under :

Joint venture - Credit Balance	Amount In Lakhs				
	Opening Balance Credit Balance	Amount Paid/ Adjusted	Amount Received/ Adjusted	Closing Balance Credit Balance	Maximum Balance
JV RELATED PARTIES					
Bahubali Services Ltd.	-	-	25.00	25.00	25.00
Card Services India Pvt.Ltd.	651.82	-	-	651.82	651.82
Divine Buildtech Pvt.Ltd.	-	-	131.99	131.99	131.99
Gyan Darshani Exim Pvt Ltd	352.00	-	-	352.00	352.00
MGF Securities Pvt. Ltd.	-	-	100.97	100.97	100.97
Motive Construction Pvt Ltd	10.00	10.00	-	-	10.00
Total A	1,013.82	10.00	257.96	1,261.78	1,271.78
JV OTHER PARTIES					
Dexterity Buildtech Pvt Ltd	1,592.67	1,592.67	-	-	1,592.67
Nanny Infrastructure Pvt Ltd	3,479.51	3,380.92	170.86	269.46	3,479.51
M3m India Private Ltd.*	-	-	3,127.63	3,127.63	3,127.63
Superior Clothing Pvt Ltd	200.00	-	-	200.00	200.00
Yojna Developers Pvt Ltd	942.13	-	-	942.13	942.13
Total B	6,214.31	4,973.59	3,298.49	4,539.21	9,341.93
Total A + B	7,228.13	4,983.59	3,556.44	5,800.99	10,613.71

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.

*M/s M3M India Private Limited had inadvertently deducted the tax at source of Rs. 31.28 lakhs u/s 194 (IA) of income tax act,1961 on the entire amount received. The same has confirmed by the party.

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. No interest or compensation is payable except sharing of joint venture income on their maturity.



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In the absence of necessary documents, the auditors are unable to pass comments on these.

15.24 Interest Free Inter-corporate deposits

1. Interest Free Inter-corporate deposits received from various parties for business purpose.

Short Term Borrowings	Opening Balance	Amount Paid	Amount Received	Closing Balance	Amount In Lakhs
					Maximum Balance
Related Parties					
India Lease Developments Ltd	763.00	-	-	763.00	763.00
	763.00	-	-	763.00	763.00
Other Parties					
Aawas Promoters Pvt.Ltd. *	100.00	-	-	100.00	100.00
AKI Organics Pvt.Ltd.	50.00	50.00	-	-	50.00
Sikarwar Developers Pvt.Ltd.	565.00	543.00	-	22.00	565.00
Total	715.00	593.00	-	122.00	715.00

(*) There is Interest free Inter corporate deposit taken from Aawas promoters Pvt. Ltd. Rs. 1 cr. in earlier years but as per MCA data, this company status shown as “amalgamated into another company”. The company is looking into matter as the name of amalgamated company is not yet known.

Long Term Borrowings	Opening Balance	Amount Repaid /Adjusted	Amount Received	Closing Balance	Maximum Balance
RELATED PARTIES					
Divine Buildtech Pvt.Ltd. *	126.99	126.99	-	-	126.99
MGF Securities Pvt. Ltd. *	100.97	100.97	-	-	100.97
MGF Estates Managements Pvt. Ltd. **	200.37	90.00	-	110.37	200.37
MGF Promotion & Events Pvt. Ltd.	24.32	-	-	24.32	24.32
MGF Vehicle Sales Pvt.Ltd.	15.00	-	-	15.00	15.00
Pavni Developers Pvt. Ltd.	43.20	43.20	-	-	43.20
Ram Prakash & Co. Pvt. Ltd.	100.00	-	115.00	215.00	215.00
Upper India Hire Purchase Co.Ass. Ltd.	85.00	-	-	85.00	85.00
Total - A	695.85	361.16	115.00	449.69	
OTHER PARTIES					
Baba Lease and Investment Private Limited	100.00	55.00	20.00	65.00	100.00
Manbhav Projects Pvt.Ltd.	173.00	173.00	-	-	173.00
Saum Infra Pvt Ltd	5,933.50	1,623.96	370.26	4,679.80	5,983.50
Total	6,206.50	1,851.96	390.26	4,744.80	
Total A + B	6,902.35	2,213.11	505.26	5,194.49	

(*) There is a joint venture agreement with such parties. Earlier it was shown as interests free inter-corporate deposit under the head Long Term Borrowings inadvertently by misunderstanding since F.Y. 2013-14. This is as per board resolutions, as the terms of the project is under finalization, formal agreements are still pending, though agreed otherwise as per their mutual understanding. The directors are hopeful of getting good returns on the expected projects. The directors consider it necessary not to disclose the project or its terms for business reason to safeguard its interest. These



(**) This ICD includes Joint venture of Rs. 110.37 Lakhs (P.Y. Rs200.37 Lakhs) taken for a prospective project of Estates with 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. The auditors are unable to pass comments on this observation in absence of necessary documents.

2. Interest Free Inter-corporate deposits given to various parties for business purpose.

Short Term Inter Corporate Deposit Related Parties	Amount In Lakhs (Rs.)				
	Opening Balance Debit Balance	Amount Paid	Amount Received	Closing Balance Debit Balance	Maximum Balance Debit Balance
Mgf Housing & Infrastrue P Ltd	1.20	-	1.20	-	1.20
Mgf Infotech Pvt Ltd	1.45	-	1.45	-	1.45
Mgf Promoters Pvt Ltd	2.00	-	2.00	-	2.00
Salar Promoters Pvt.Ltd.*	122.00	-	-	122.00	122.00
Ssp Developers Pvt. Ltd.	50.00	-	14.19	35.81	50.00
Yashoda Promoters Pvt.Ltd.	298.00	-	-	298.00	298.00
Total	474.65	-	18.84	455.81	474.65
Previous Year	1,239.35	16.00	2.50	1,252.85	

(*) This ICD includes Joint venture of Rs. 122.00 Lakhs (P.Y. Rs. 122.00 Lakhs) given for a prospective project of Estates with Salar Promoters 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. The auditors are unable to pass comments on this observation in absence of necessary documents.

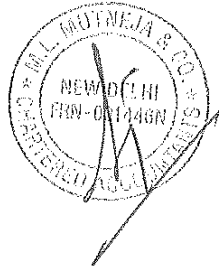


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Long Term -Inter Corporate Deposit	Opening Balance	Amount Paid	Amount Received	Amount In Lakhs	
				Closing Balance	Maximum Balance
Related Parties	Debit Balance			Debit Balance	Debit Balance
Manbhav Projects Pvt.Ltd.*	-	318.75	100.00	218.75	218.75
Discovery Estates Pvt. Ltd.	874.35	355.97	1,230.32	-	916.28
					275.64 credit
Discovery Holdings Pvt. Ltd.	249.85	-	249.85	-	249.85
Emaar MGF Education Pvt.Ltd.	15.00	-	-	15.00	15.00
Soumya Promoters Pvt.Ltd.	55.00	-	55.00	-	55.00
Aparna Buildcon Pvt.Ltd.	70.00	-	-	70.00	70.00
Total A	1,264.20	674.72	1,635.17	303.75	1,524.88
Other Parties					
Extol Buildcon Pvt.Ltd.	721.00	4.61	1.11	724.50	724.50
Total B	721.00	4.61	1.11	724.50	724.50
Total A + B	1,985.20	679.33	1,636.28	1,028.25	2,249.38

{ * } The company has given Rs. 218.75 Lakhs to Manbhav Projects Pvt. Ltd. during the year for a prospective project of Estates. 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. The auditors are unable to pass comments on this observation in absence of necessary documents.

Other :-



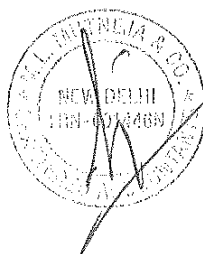
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Amount In Lakhs

Short Term Inter corporate deposit	Opening Balance	Amount Paid	Amount Received	Closing Balance	Maximum Balance
	Debit Balance	Adjusted	Adjusted	Debit Balance	Debit Balance
Amplify Developers Pvt.Ltd.	-	63.45	-	63.45	63.45
Bounty Builders and Developers Pvt.Ltd.	-	239.30	-	239.30	239.30
Buildout Real Estate Developers Pvt.Ltd.	-	259.80	-	259.80	259.80
Companion Builders Pvt.Ltd.	-	55.80	-	55.80	55.80
Companion Estates Pvt.Ltd.	-	25.40	-	25.40	25.40
Dedicated Buildcon Pvt.Ltd.	-	88.30	-	88.30	88.30
Dexterous Buildcon Pvt.Ltd.	-	105.15	-	105.15	105.15
Ethan Traders Pvt.Ltd.	-	14.90	-	14.90	14.90
GGN Hills Developments Pvt.Ltd.	-	380.05	-	380.05	380.05
Golf Course Road Developments Pvt.Ltd.	-	46.70	-	46.70	46.70
Liberate Builders & Developers Pvt.Ltd.	-	628.90	-	628.90	628.90
Meadows Developments Pvt.Ltd.	-	359.15	1.00	358.15	358.15
Optimum Builders Pvt.Ltd.	-	424.35	-	424.35	424.35
Practical Estates Pvt.Ltd.	-	1.00	-	1.00	1.00
Practical Homes Pvt.Ltd.	-	178.70	-	178.70	178.70
Profusion Real Estate Pvt.Ltd.	-	154.80	-	154.80	154.80
Sector 76 Developments Pvt.Ltd.	-	41.35	-	41.35	41.35
Sprout Tradecom Pvt.Ltd.	-	17.40	-	17.40	17.40
Virtuous Builders Pvt.Ltd.	-	122.30	-	122.30	122.30
Welfare Real Estate Developers Pvt.Ltd.	-	36.30	-	36.30	36.30
Windfall Builders & Developers Pvt.Ltd.	-	131.50	-	131.50	131.50
Zane Devcon Pvt.Ltd.	-	9.60	-	9.60	9.60
Zoey Traders Pvt.Ltd.	-	124.65	-	124.65	124.65
Blossom Conbuild Pvt.Ltd.	335.00	-	-	335.00	335.00
Chirayu Propbuild Pvt.Ltd.	558.00	-	-	558.00	558.00
DTC India Ltd.	59.91	-	59.91	-	59.91
Espace Buildtech Pvt. Ltd.	1.40	-	1.40	-	1.40
Initia Solutions Pvt.Ltd.	372.14	-	-	372.14	372.14
Intra Chemicals & Drugs Pvt Ltd	258.98	-	-	258.98	258.98
PS Techno Systems Pvt.Ltd.	546.00	-	-	546.00	546.00
Zack Estates Pvt.Ltd.	561.00	-	-	561.00	561.00
Related					
SSP Buildcon Pvt Ltd	177.31	7.55	184.86	-	184.86
Total	2,869.74	3,516.40	247.17	6,138.97	6,385.14

3. Above Interest free inter-corporate Deposits - There are no formal agreement / arrangements executed till date in writing for their terms. These are as per board's resolution.

15.25 Key Managerial Personnel :



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- a) The company has appointed Chief Financial Officer on 01.07.2017 as required under section 203 of the companies Act, 2013, read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- 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.

15.26 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 :

A) Key Managerial Personnel / Directors

Mr. Shравan 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
Mr. Vijay Kumar Sharma	CFO, w.e.f. 01.07.2017
Ms. Nupur Jain	Company Secretary

B) Detail of transactions entered into with related parties :

a) Long Term Borrowing includes :-

1. Interest Free deposit Rs. 42.40 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 transaction during the year. It is very old since F.Y. 2008-09 and there is no re-payment terms as it is on the basis of verbal arrangement.

2. Interest Free Inter-corporate deposits from related parties for business purpose. Refer Note. 15.24 (1)

b) Short Term Borrowing includes

1) Interest bearing Inter-corporate deposit from a related party for business purpose.



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Related Parties	Amount in Lakhs (Rs.)		
	Opening Balance	Closing Balance	Maximum Balance
India Lease Developments Ltd. (Interest bearing @ 8.50% p.a.)	763.00	763.00	763.00
Interest due to India Lease Developments Ltd.	--	14.39	--
Total	763.00	777.39	
Previous Year	772.81	763.00	

2. Interest Free Inter-corporate deposit from a related party for business purpose.

Related Parties	Amount in Lakhs(Rs.)				
	Opening Balance	Amount Paid	Amount Received	Closing Balance	Maximum Balance
Saum Infra Private Limited	356.00	--	--	356.00	356.00

c) **Trade Payable** includes amount due to related parties.

Related Parties	Amount in Lakhs (Rs.)	
	As on 31-03-2017	As on 31-03-2016
Metroplex Construction Pvt. Ltd.	184.28	184.28
MGF Mall Management	0.89	0.59
Shanti Apparels Manuf. Co. Pvt. Ltd.	28.98	---
Total	214.15	184.87

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

Particulars	Amount in Lakhs (Rs.)	
	As on 31-03-2017	As on 31-03-2016
1. Booking Advances received	609.64	609.64
2. Other Payables - Mr. Sudhir Sareen	46.94	46.94
3. Advance for CAM & Electricity -Villa	---	2.55
Total	656.58	659.13

4. Due from joint venture : refer note no. 13.23 (B).

e) **Investment** with related parties :



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1. The company has purchased 15,11,538 equity shares of North Delhi Metro Mall Private Limited @ Rs. 10/- each plus premium of Rs. 58/- each during the year at their fair market prices/book value as on 31.03.2016.
2. 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 (Mr. Shravan Gupta) of the company at a price of Rs 14.50 Crores, against which a payment of Rs14.25crores 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.

The company has entered into an unregistered supplementary agreement dt. 01.03.2017 has been drawn to extend the above area, its value Rs. 20.00 crores and date of execution of sale to 31.03.2021. The company has paid a sum of Rs 17.88 crores till 31.03.2017 on this account.

2. Advance against purchase of land : The company has entered into an unregistered agreement dt.23.03.2016 to purchase the agricultural land from a director (Mrs. Shilpa Gupta) of the company at a price of Rs. 9.40 crores, against which a payment of Rs 4.09 crores has been made till 31.03.2017. This agreement is executable by the parties within thirty six months from agreement to sell.

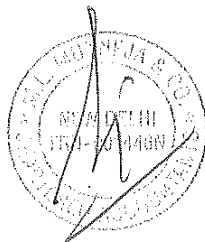
3. Security Deposits includes :-

- a) 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.
- b) This property is under lease with this company at a lease rent of Rs. 5.50 Lakhs per month w.e.f 01.04.2015 as per unregistered agreement dt. 11.04.2015. The company has also given security deposit Rs. 33.00 lakhs during the year as per terms of agreement.

4. Due from joint venture units against collaboration with related parties. Refer note no. 15.23 ('B).

5. Long Term Interest free Inter-corporate Deposits with Related Parties for Business. Refer note no. 15.24 (2).

g) Current Investments includes Interest free Inter-corporate Deposits with Related Parties for business purpose. Refer note no. 15.24 (2)



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h) Income from related parties :-

Amount in Lakhs (Rs.)

Related Parties	F.Y. 2016-17	F.Y. 2015-16
M/s Discovery Estates Private Limited :		
- Sale	---	2729.25
- Common Area Maintenance	8.96	8.95
-Electricity Re-imburement	0.16	2.39
-Sale M/s Sareen Estates Private Limited:	---	143.48
M/s. Gadokhar Real Estate Pvt. Ltd. :		
- Common Area Maintenance	5.05	4.81
-Electricity Re-imburement	.86	1.18
Total	15.03	2890.06

i) Expenditure to related parties :-

Amount in Lakhs

Expenses	F.Y. 2016-17	F.Y. 2015-16
Rent Paid to M/s Shanti Apparels Manufacturing Co. Pvt. Ltd.	66.00	66.00
Interest Paid on ICD to M/s India Lease Development Ltd.	64.85	65.03
Service Charges paid to Coniza Promoters Pvt. Ltd.	---	0.60
Service Charges paid to Yog Buildtech Pvt. Ltd.	---	0.90
Service Charges paid to Satin Realtors Pvt. Ltd.	---	1.10
Service Charges paid to Yashavi Buildtech Pvt. Ltd.	---	1.30
Service Charges paid to SSP Aviation Ltd.	2.22	---
Service Charges paid to Aryan Life Style Pvt. Ltd.	2.22	---
Service Charges paid to MGF Housing & Infrastructure Pvt. Ltd.	1.33	---
Service Charges paid to MGF Promoter Pvt. Ltd.	2.22	---
Service Charges paid to MGF Infotech Pvt. Ltd.	1.61	---
Service Charges paid to Logistic Buildtech Pvt. Ltd	0.30	---
Service Charges paid to Power Buildtech Pvt. Ltd	0.30	---
Total	141.05	134.93

j) Sale of Unit cancelled at cost of related parties :

Amount in Lakhs

Related Parties	F.Y. 2016-17	F.Y. 2015-16
Discovery Estates Pvt. Ltd.	1682.20	158.39
Gadhokar Real Estates P. Ltd.	228.48	---

The company has cancelled the above sale (booked in F.Y. 2015-16) in current year and sold the same to other parties.

k) Trade Receivable includes amount of Rs. 2702.74 Lakhs (P.Y. 3293.87 Lakhs) due from related parties.

Related Parties			
1.	Divine Buildtech Pvt. Ltd.	7.	Saiesha Projects Pvt. Ltd.
2.	Moonlight Continental Pvt Ltd.	8.	Triyug Projects Pvt.Ltd.



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3.	Sareen Estates Pvt. Ltd.	9.	Discovery Estates P.Ltd.-
4.	Magnum Promoters Pvt. Ltd.	10.	Gadhokar Real Estates Private Limited
5.	PKN Trading Private Limited	11.	Columbia Holdings Pvt. Ltd.
6.	Saiesha Developments Pvt.Ltd.		

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. Detail as under :-

Amount in Lakhs

Related Parties	As on 31.03.2017	As on 31.03.2016
Investment in Ex-Partnership - MGF Mall Management	396.66	396.66
Investment in Ex-Partnership - MGF Event Management	64.82	64.82
Kerala Cars Pvt. Ltd	255.98	255.98
Logistic Buildtech Pvt. Ltd	78.24	78.24
Siddharth Gupta	134.71	134.71
*Vishnu Apartments Pvt. Ltd.	618.89	1058.72
**MGF Automobiles Ltd.	6988.05	2345.02
Shanti Apparels Manuf. Co. Pvt. Ltd.	0.00	1.95
Total	8537.36	4336.10

*Transactions with Vishnu Apartments Pvt. Ltd. are on current account for the business of the company for which documents are pending to be executed, so the auditors are unable to pass any comments.

** The company has given Rs. 46.43 crores to MGF Automobiles Ltd. during the year for a prospective project of Estates with MGF Automobiles 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. The auditors are unable to pass comments on this observation in absence of necessary documents.

The auditors are unable to pass comments on above due to non-availability of necessary documentary evidence regarding their nature and other particulars u/s 185 / 186 of companies act 2013.

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

Amount in Lakhs(Rs.)

Companies	Opening Balance	Amount	Amount	Closing Balance	Maximum Balance	Nature
		Paid	Received			
Kayo Developers Pvt. Ltd.	2862.35	256.38	--	3118.73	3118.73	Joint Venture



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In the Financial Statement of Kayo Developers Pvt. Ltd. as on 31.03.2017 this amount is shown as borrowing from its holding company under the head Short Term Borrowings. This has been crossed and shown at nil in consolidated financial statement.

- o) The managerial remuneration to related parties has been paid. Detailed as under:**

Particulars	Amount in Lakhs	
	F.Y. 2016-17	F.Y. 2015-16
Salary :		
Mrs. Shilpa Gupta	7.50	18.00
Employer Contribution of PF :		
Mrs. Shilpa Gupta	1.00	2.16
Total	8.50	20.16

- p) The directors confirm that all the above transactions at fair market price, 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.**
- q) There is no other transaction with any director / member or any other related party during the year.**

15.27 Income & Expenditure in foreign Currency :

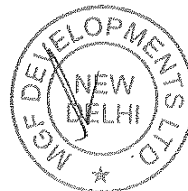
(i) There is no Income in Foreign Currency.

(ii) The Company has incurred Expenditure on Foreign travel of Rs. 22.11 Lakhs (P.Y. Rs. 38.19Lakhs) in foreign exchange during the year.

15.28 Vide notification no. F.No. 17/62/2015-CL-V (Vol.I) dated 30th March 2017, issued by Joint Secretary, Ministry of Corporate Affairs, the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 is provided as below.

	SBNs (Rs.)	Other Denomination Notes (Rs.)	Total (Rs.)
Closing cash in hand as on 8-11-2016	39,45,000	10,91,741	50,36,741
(+) Permitted receipts / withdrawal from bank in new currency		4,10,000	4,10,000
(-) Permitted payments	---	--	--
(-) Amount deposited in Banks	(-) 39,45,000	--	(-) 39,45,000
Closing cash in hand as on 30.12.2016	---	15,01,741	15,01,741

15.29 The audit has been conducted on test-check basis as per books of accounts, information & explanation given by the directors.



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- 15.30** 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.
- 15.31** All the income & expenditure has been certified & verified by the directors of the company to be true & correct in all respects.
- 15.32** 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. The accounts have been initialed and stamped by the directors and by the auditors.
- 15.33** Previous year's figures/heads have been revised/re-grouped to make them comparable to current year wherever considered necessary.
- 15.34** These consolidated notes on accounts form integral part of consolidated Balance Sheet & consolidated Statement of Profit and Loss of the company of Financial Year 2016-17 and are subject to these in all respects.

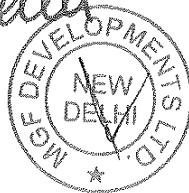
As Approved By Board Of Directors

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

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

Rakshit Jain

Rakshit Jain
Director
DIN : 00607288



Arun Mitter

Arun Mitter
Director
DIN : 00022941

Sangeeta Jagyasi

Sangeeta Jagyasi
Partner
M.No. 501559



Vijay Kumar Sharma

Vijay Kumar Sharma
CFO

Nupur Jain

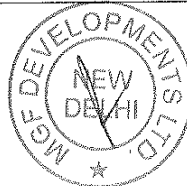
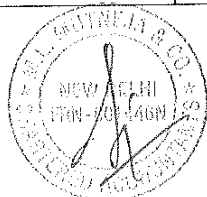
Nupur Jain
Company Secretary
M.NO. 36044

Place: New Delhi
Date: 01.09.2017

MGF DEVELOPMENTS LIMITED
CIN: U74899DL1996PLC081965

ANNEXURE - "A" TO NOTES TO ACCOUNTS
LITIGATIONS DETAILS AS ON 31ST MARCH 2017.

<u>S.NO.</u>	<u>PARTICULARS</u>	<u>NEXT DATE OF HEARING</u>	<u>PURPOSE / NDOH</u>
1.	ALKARMA V MGF [CS(OS) 1754/2006] (Saket Court)	Suit filed by the Petitioner for payment of Rs.70,67,675/- for the Aluminium glazing work done in the Metropolitan Mall, Gurgaon.	Cross Examination of the Plaintiff's Witness. 30.5.2017
2.	ALKARMA V MGF [CS(OS) 1755/2006] (Tis Hazari Courts)	Suit filed by the Petitioner for payment of Rs.21,68,780/- for the Aluminium glazing work done in the Metropolitan Mall, Gurgaon.	Cross Examination of the Plaintiff's Witness. 27.04.2017
3.	SHOPPERS STOP PRIVATE LIMITED V MGF DEVELOPMENTS LIMITED CS (OS) 2235/2010	Civil suit filed against the cancellation of LOI for the Anchor area in Metropolis Mall. They have already encashed the refund of security cheque and there is no financial implication. Matter Transferred To Gurgaon Court	For Arguments on Application under Order 6 Rule 17 CPC filed by the Plaintiff seeking amendment of the Plaint.
4.	WONDERLAND PROPERTIES PRIVATE LIMITED V MOONLIGHT CONTINENTAL PRIVATE LIMITED AND OTHERS	Claimant invoked arbitration against cancellation of Allotment for the cinema space in Metropolis.	Award Pronounced On 29.3.2017 Second and Third Installments are to be paid by MGF on 24.4.2017 and 23.5.2017 respectively.
5.	ANIL MOOLCHANDANI V MGF DEVELOPMENTS LIMITED CS (OS) 3182/2011	Suit filed against the Company in the Delhi High Court, and now transferred to Tis Hazari Court alleging construction irregularities in The Vilas Project, Gurgaon.	For Plaintiff Witnesses. 24.05.2017
6.	Ahluwalia v MGF (Co. Petition No.	Company Petition filed with regard to non payment of bills for work done for The Vilas	For Arguments 10.7.2017



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	357/2014)	project, Gurgaon.	
7.	Ahlcon v MGF (Co. Petition No. 448/2013)	Company Petition filed with regard to non payment of bills for work done for the Metropolis project, Gurgaon.	For Arguments 10.7.2017
8.	Sterling and Wilson v Vishnu Apartments	Suit filed by the Plaintiff in the Delhi High Court and now transferred to Patiala House Court against the Company for recovery of Rs.35,40,561/- for the Electrical work done at the Metropolitan Mall, Jaipur.	Cross Examination of the Plaintiff's Witness. 30.5.2017
9.	Vineet Bahari V MGF Developments Limited	Complaint filed against the delay in handover of possession and demand of certain payments in The Vilas Project, Gurgaon.	Final Arguments before District Commission, Consumer Forum. 11.9.2017
9-A.	Vineet Bahari V MGF Developments Limited	Complainant withdrew the complaint from District Forum to file the same before the National Commission.	For filing of reply before NCDRC 13.07.2017
10.	Bestech V MGF Developments Limited.	Claimant invoked the arbitration with a claim of Rs.10,71,89,060/- for the work done in the Metropolitan Mall, Gurgaon.	For cross examination of the Claimant's Witnesses. 9.5.2017 at 3 p.m.
11.	County Hotels Vs. Premium Lead Services & Ors. CS (OS) 3558/2014.	Suit filed by the Plaintiff in the Delhi High Court and now transferred to Saket Court against the Respondent for making unauthorized opening in their shop in Metropolitan Mall, Saket.	For service of Defendants, except D-4. 01/05/2017
12.	Acme Cleantech Solutions Pvt. Ltd. Vs. MGF – CS(OS) 68/15 before the ADJ, Tis Hazari	Petitioner filed Suit for recovery of Rs.6,96,861/- for the work done in the Metropolis Mall, Gurgaon.	Admission Denial and Issues 01/07/2017



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13.	North Delhi Metro Mall Pvt. Ltd. v Govt. of NCT of Delhi and Others.	Petitioner filed a writ petition against the order of the Collector of Stamps. We are Respondent No. 4.	After Notice Misc. appearance. 21.9.2017
14.	MGF v CIT		For Arguments before High Court. 9.8.2017
14-A.	Shri Shravan Gupta v CIT		For Arguments before High Court. 9.8.2017
14-B.	Rakshit Jain v CIT		For Arguments before High For Arguments before High Court. 9.8.2017
14-C.	Arun Mitter v CIT		For Arguments before High Court. 9.8.2017
15.	CIT v Shravan Gupta		Awaiting Outcome of proceedings in High Court & Tis Hazari 4.9.2017
15-A.	CIT v Shri Rakshit Jain		Awaiting Outcome of proceedings in High Court & Tis Hazari 4.9.2017
15-B.	CIT v MGF Developmentsp		Awaiting Outcome of proceedings in High Court & Tis Hazari 4.9.2017
15-C.	CIT v Arun Mitter		Awaiting Outcome of proceedings in High Court & Tis Hazari 4.9.2017

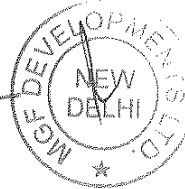
For MGF Developments Limited

Rakshit Jain

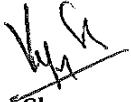
Rakshit Jain
Director
DIN : 00607288


Arun Mitter

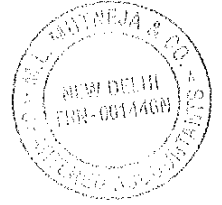
Arun Mitter
Director
DIN : 00022941



MGF DEVELOPMENTS LIMITED
CIN: U74899DL1996PLC081965


Vijay Kumar Sharma
CFO


Nupur Jain
Company Secretary
M.NO. 36044



Place: New Delhi
Date: 01.09.2017