



## DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company is pleased to present its 22<sup>nd</sup> Annual Report together with the Audited Financial Statements of the Company for the financial year ended March 31, 2018.

### Financial Performance

The highlights of financial performance of your Company (on standalone basis) for financial year ended on March 31, 2018 are as under:

(Amount in Rs. and in Lakh)

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Revenue from Operations	3,322.73	2,325.43
Other Income	1,411.25	293.37
Total Revenue	4,733.98	2,618.80
Total Operating Expenditure excluding Interest, Depreciation and Amortization	2,509.72	2,389.32
Finance Cost	555.26	599.51
Depreciation and Amortization expenses	18.44	52.54
Total Expense	3,083.42	3,041.37
Profit / (Loss) before tax	1,650.56	-422.57
Tax Expense / (Credit)	128.15	167.92
Net Profit / (Loss) for the year	1,778.71	-254.64

As reported above, the total revenue during the financial year ended on March 31, 2018, stood at Rs. 33,22,73,322/- (Rupees Thirty-Three Crore Twenty-Two Lakh Seventy-Three Thousand Three Hundred Twenty-Two Only) as compared to Rs. 23,25,43,446/- (Rupees Twenty-Three Crore Twenty-Five Lakh Forty-Three Thousand Four Hundred Forty-Six Only) during the previous financial year. The Company incurred a net profit of Rs. 17,78,70,100/- (Rupees Seventeen Crore Seventy-Eight Lakh Seventy Thousand One Hundred Only) during the financial year under review as compared to loss of Rs. 2,54,72,593/- (Rupees Two Crore Fifty-Four Lakh Seventy-Two Thousand Five Hundred Ninety-Three Only) during the previous financial 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, 2018.

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

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

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

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

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

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

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

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

- a. fixed assets (including information technology equipment, furniture, fixture and fittings) exclusively related to the Demerged Undertaking and capital expenditure on such fixed assets incurred by the Demerged Company to be transferred to the Resulting Company, as per the Scheme of Arrangement;
- b. other assets, including current and non-current assets, investments, cash and bank balances (including, for the purposes of clarification, bank accounts related thereto) related to the projects to be transferred to the Resulting Company, as per the Scheme of Arrangement;
- c. the legal and beneficial interests in the shares of companies as per the Scheme of Arrangement;
- d. all development rights relating to, in respect of, or connected with the land and all development rights in the projects comprised in the assets, as set out in the Scheme of Arrangement, including all monies applied by the Demerged Company towards accounting for such rights.
- e. the debts, duties, obligations and liabilities (including all future liabilities in relation to the

Demerged Undertaking, contingent liabilities/ claims) relatable to the Demerged Undertaking, as per the Scheme of Arrangement, will be transferred to and vest in the Resulting Company.

- f. all employees employed/engaged in the Demerged Undertaking as; on the date of approval of the Scheme by the Hon'ble Court, including all their related benefits like gratuity, provident fund, etc. and jail liabilities relating to such employees from the Appointed Date;
- g. Upon the Scheme coming into effect, the issued, subscribed and paid up share Capital of the Demerged Company shall stand reduced from the; present Rs. 912,61,98,450 divided into 91,26,19,845 Equity Shares of Rs. 10 each fully paid-up to Rs. 91,26,19,850 divided into 9,12,61,985 Equity Shares of Rs. 10 each fully paid up.
- h. The Resulting Company will issue 9 (nine) Equity Share of Rs. 10 each, credited as fully paid-up, to the shareholders of the Demerged Company for every 416 (four hundred sixteen) Equity Shares of Rs. 10 each held in the Demerged Company.
- i. The aforesaid reduction in the subscribed, issued and paid up equity share capital of the Demerged Company, shall be effected on a proportionate basis in proportion to the shares held, on the record date by the shareholders, such that the Demerged Company shall extinguish 9 (nine) Equity Shares of Rs. 10 each held by each of its shareholders, for every 10 (ten) Equity Shares of Rs 10 each held in the Demerged Company by such shareholders.
- j. 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. 3,07,876 (Rupees three hundred seven thousand eight hundred seventy six) such that the face value of each such debenture shall stand reduced to Rs. 6,92,124 (Rupees six hundred ninety two thousand one hundred twenty four). Simultaneously and without any further act or deed, and without payment of any further amount to the Resulting Company, the holders of the aforesaid debentures shall be entitled to an equivalent number of fully paid debentures of the face value of Rs. 3,07,876 (Rupees three hundred seven thousand eight hundred seventy six) each by the Resulting Company. At the time of redemption, the liability in respect of the debentures of the Demerged Company as aforesaid shall be Rs. 6,92,124 (Rupees six hundred ninety two thousand one hundred twenty four) per debenture, and the liability in respect of the debentures of the Resulting Company shall be Rs. 3,07,876 (Rupees three hundred seven thousand eight hundred seventy six) per debenture.
- k. Save as above, terms and conditions of other debentures (Secured and Un-secured) issued by the Demerged Company will remain the same.
- l. Appointed Date for the Scheme of Arrangement is 30th September, 2015 and the Effective Date is July 31, 2018.

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

### **Dividend**

Considering the future needs of the Company for expansion and growth and to strengthen the financial position of the Company, your directors do not recommend any dividend for the financial year ended 31<sup>st</sup> March, 2018.

### **Share Capital**

During the year, there has been no change in the Paid-Up Share Capital of the Company and the present Paid-Up Share Capital is Rs. 597,650,700/- (Rupees Fifty-Nine Crore Seventy-Six Lac Fifty

Thousand Seven Hundred), divided into 5,97,65,070 (Five Crore Ninety-Seven Lac Sixty-Five Thousand Seventy) equity shares of Rs. 10/- (Rupees Ten Only) each.

However, pursuant to the Demerger Scheme approved by NCLT, as on the Effective Date i.e. July 31, 2018, Emaar MGF Land Limited was required to transfer the Authorised Share Capital of Rs. 100,00,00,000/- (Rupees One Hundred Crores Only) to MGF Developments Limited.

In view of the same, the authorised share capital of the Company stands increased from the existing Rs. 60,00,00,000/- (Rupees Sixty Crores Only) to Rs. 160,00,00,000/- (Rupees One Hundred Sixty Crores Only) and the Clause V of the Memorandum of Association of the Company shall be read as under:

The Authorised Share Capital of the Company is Rs. 160,00,00,000/- (Rupees One Hundred Sixty Crores Only) divided into 16,00,00,000 (Sixteen Crore) Equity Shares of Rs. 10/- (Rupees Ten) each.

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

The Company has 4 subsidiaries and 5 associate companies as on 31<sup>st</sup> March, 2018. 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, 2018 are as under:

Particulars	(Amount in Rs. and in Lakh)	
	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Net Sales/Revenue from Operations	3,322.73	2,325.43
Other Income	3,692.62	354.49
<b>Total Revenue</b>	<b>7,015.35</b>	<b>2,679.93</b>
Total Operating Expenditure excluding Interest, Depreciation and Amortization	2,591.88	2,409.41
Interest and Finance Cost	555.27	599.52
Depreciation and Amortization expenses	18.44	52.54
Amount capitalized under "Inventory"	1.54	4.99
<b>Total Expenses</b>	<b>3,167.14</b>	<b>3,066.46</b>
Profit / (Loss) before tax	3,848.21	-386.53
Less: Tax Expense	128.15	167.92
<b>Net Profit / (Loss) for the year</b>	<b>3,976.36</b>	<b>-218.61</b>

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

During the financial year, the following change was made in the Directorship/ Management of the Company:

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

However, after the financial year 2017-18, following changes took place in the Directorship/ Management of the Company:

Ms. Khushboo Goel was appointed as Additonal Director (in the capacity of Independent Director) on 12<sup>th</sup> July, 2018 and on the same date, Mr. Ratan Kumar Thakur resigned from the Directorship of the Company.

### Meetings of Board / Committees

Details of the meetings of Board / Committees of the Company, held during the financial year 2017-18 are as under:

S. No.	Date of Meetings			
	Board Meetings	Audit Committee Meetings	CSR Committee Meetings	Nomination & Remuneration Committee
1	May 12, 2017	September 01, 2017	July 01, 2017	May 15, 2017
2	June 19, 2017	-	-	-
3	June 27, 2017	-	-	-
4	July 1, 2017	-	-	-
5	August 9, 2017	-	-	-
6	August 18, 2017	-	-	-
7	August 29, 2017	-	-	-
8	September 1, 2017	-	-	-
9	September 19, 2017	-	-	-
10	September 20, 2017	-	-	-
11	October 5, 2017	-	-	-
12	November 7, 2017	-	-	-
13	December 1, 2017	-	-	-
14	December 26, 2017	-	-	-
15	January 29, 2018	-	-	-
16	February 13, 2018	-	-	-
17	February 23, 2017	-	-	-
18	February 27, 2018	-	-	-
19	March 20, 2018	-	-	-
<b>Total No. of Meetings</b>	<b>19</b>	<b>1</b>	<b>1</b>	<b>1</b>

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

Name of Directors	Number of Meetings			
	Board Meetings	Audit Committee Meetings	CSR Committee Meetings	Nomination & Remuneration Committee
Mr. Shravan Gupta	4	-	1	-
Mrs. Shilpa Gupta	16	-	-	-
Mr. Arun Mitter	19	1	1	1
Mr. Rakshit Jain	19	-	-	-
Ms. Pragati Sachdeva	19	1	1	1
Mr. Ratan Kumar Thakur	19	1	-	1

### **Directors' Responsibility Statement**

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2018, 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, 2018 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:

<b>S. No.</b>	<b>Name of the Member</b>	<b>Designation</b>
1	Mr. Arun Mitter (Chairman)	Non-Independent Non-Executive Director
2	Ms. Pragati Sachdeva	Independent Director
3	Ms. Khushboo Goel	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. Vijay Kumar Sharma as the Chief Financial Officer (CFO) of the Company w.e.f. July 01, 2017.

After the closure of the Financial Year 2017-18, the Board of Directors of the Company at its meeting held on July 12, 2018, on the recommendation of the Nomination & Remuneration Committee, have appointed Ms. Khushboo Goel as an Additional Director (in the capacity of Independent Director).

### **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:

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

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

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

### **Auditors**

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

The Auditors, M/s. M.L. Mutneja & Co., Chartered Accountant, (Firm Regn. No. 001446N) were appointed as statutory auditors of the Company for one year, i.e. FY 2017-18.

However, due to casual vacancy caused by the resignation of M/s M.L. Mutneja & Co., Chartered Accountants (Registration No. 001446N), the Company in its meeting held on August 16, 2018, had appointed M/s. Raj Jha & Associates, Chartered Accountants (Firm Regn. No. 027344N) as the Statutory Auditors of the Company for Financial Year 2017-18, who held the office as the Statutory Auditors of the Company until the conclusion of the ensuing Annual General Meeting.

Now, M/s. Rupali Maria & Co, Chartered Accountants (FRN: 033172N) have consented to be appointed as the Statutory Auditors of the Company for five years in respect to the financial year 2018-19 to 2022-23 and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. Also, they have 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.

Thereafter, the Audit Committee and the Board of Directors recommend the appointment of M/s. Rupali Maria & Co, Chartered Accountants (FRN: 033172N) as Statutory Auditors of the Company from the conclusion of the 22<sup>nd</sup> Annual General Meeting till the conclusion of 27<sup>th</sup> 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 2018-19.

## **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 2017-18 and their report is annexed to this Board Report as **Annexure -2**.

The Secretarial Auditors in their Report have observed the followings;

- The Company has not incurred the whole balance expenditure on CSR activity relating to previous financial years during the financial year 2017-18 although the provisions of Section 135 of the Act was not applicable for the financial year 2017-18;

In this connection, please refer “**Corporate Social Responsibility**” of this report, where the details of expenses incurred by the Company are mentioned.

- The Company has not filed AOC-4 and MGT-7 for the financial year 2016-17 till the date of this report.

In this connection, the Company would like to submit that, inadvertently delayed in filing of Forms AOC-4 and MGT-7 and the Company had filed the AOC-4 on 06/09/2018 and MGT-7 on 21/09/2018.

- The Company has not filed MGT-14 for providing guarantee as required under section 117 of the Act;

In this connection, the Board of Directors would like to submit that the guarantee is given as security which was demanded by Director, Town & Country Planning (DTCP), Haryana. Hence the Company has not given Guarantee/ Security against the loan of the Company, therefore the Company has not contravened any provision of section 117 read with 179(3)(f) of the Companies Act, 2013.

- The Company has appointed the statutory auditor only for a period of one year in contravention of Section 139(1) of the Act;

In this connection, the Company would like to submit that, M/s. M.L. Mutneja & Co., Chartered Accountants (Registration No. 001446N) was appointed as the statutory auditors of the Company for the FY 2017-18 as the said auditor was willing to be appointed for one year, hence the Company appointed the auditors for the said period. Further, the said auditors have resigned from the Company before completion of their tenure.

## **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 Transactions**

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 2017-18, 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**

Although pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company is not required to constitute the Corporate Social Responsibility Committee in the financial year 2017-18.

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

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

Further, the Company was required to incur total amount of Rs. 58,22,035/- (Rupees Fifty-Eight Lakh Twenty-Two Thousand Thirty-Five Only) in financial year 2014-15, 2015-16 and 2016-17, out of which Rs. 13,22,000/- (Rupees Thirteen Lakh Twenty-Two Thousand Only) were incurred by the Company for CSR activities during in the aforesaid financial years. Hence the balance amount of Rs. 45,00,035/- (Rupees Forty-Five Lakh Thirty-Five Only) for various CSR activities of the Company, the details of expenses incurred on CSR activities is enclosed in the Annual Report on CSR and marked as **Annexure - 4**.

However, as the Company had not made proper expenditure in FY 2014-15, 2015-16 and 2016-17 for CSR activities of the Company as detailed mentioned below:

The Company was required to incur the balance amount of expenditure for aforesaid financial years for CSR activities in the FY 2017-18 and 2018-19. Hence, the Company has incurred the following expenditure for CSR activities in compliance of balance amount of expenditure which was to be incurred in the said previous financial years.

<b>Balance amount of expenditure to be incurred for CSR activities:</b>	
	<b>Amount (in Rs.)</b>
<b>FY 2014-15</b>	11,60,695
<b>FY 2015-16</b>	18,55,678
<b>FY 2016-17</b>	14,83,662
<b>Total</b>	<b>45,00,035</b>
<b>Less: Expenditure incurred on CSR activities in FY 2017-18</b>	
Khushii	5,50,000
Uneed	50,000
<b>Balance amount to be incurred in FY 2018-19</b>	<b>39,00,035</b>

Further, the Company has incurred the following expenditure for CSR activities in compliance of balance amount of expenditure which was to be incurred in the said previous financial years:

<b>Particulars</b>	<b>Amount (in Rs.)</b>
<b>Total Balance amount of expenditure to be incurred in FY 2014-15, 2015-16 and 2016-17 for CSR activities</b>	<b>39,00,035</b>
Less: Expenditure incurred on CSR activities in (Till 3 <sup>rd</sup> September 2018)	
Khushii	6,00,000
FCS Foundation	37,00,000
<b>Balance amount to be incurred in FY 2018-19</b>	<b>Nil</b>

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

Although in the FY 2018-19, the provisions of Section 135 of the Companies Act, 2013 are not applicable on the Company as it does not meet the requirement of the said section in terms of Net Worth; or Turnover; or Net Profit during any of the three preceding financial years.

However, the Company owes for the betterment of the society and therefore, the Company will continue its support to the society by economic or any other way in the near future.

### **Risk Management**

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

### **Vigil Mechanism**

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

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

During the year under review, 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:

<b>Particulars</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Purchase of Material	0	0
Expenses on Foreign Travel	Rs. 31,77,448.66	Rs. 22,11,000/-

### **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.


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

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

**Acknowledgement**

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

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



**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 04, 2018**  
**Place: New Delhi**

<b>FORM NO. MGT 9</b>
<b>EXTRACT OF ANNUAL RETURN</b>
<b>as on financial year ended on 31.03.2018</b>
<b>Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration ) Rules, 2014.</b>

**I REGISTRATION & OTHER DETAILS:**

i	CIN	U74899DL1996PLC081965
ii	Registration Date	16-Sep-96
iii	Name of the Company	<b>M G F Developments Limited</b>
iv	Category/Sub-category of the Company	<b>Company Limited by Shares</b>
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	53.24
2	Renting and leasing of other machinery, equipment and tangible goods n.e.c.	77301	40.47
3	Maintenance service activities	81300	6.29

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

Sl No.	NAME OF THE COMPANY	ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	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	MGFD Ventures Private Limited	4/17-B, MGF House, Asaf Ali Road, New Delhi - 110002	U74999DL2018PTC329933	Subsidiary	100	Section 2(87) of Companies Act, 2013
5	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
6	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
7	SSP Aviation Limited	MGF House, 17-B, Asaf Ali Road, New Delhi 110002	U45201DL2003PLC118351	Associate	26.02	Sec 2-(6) of Companies Act, 2013
8	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
9	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	
<b>A. Promoters</b>	-	-	-	-	-	-	-	-	-
(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	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL:(A) (1)</b>	-	5,79,20,320	5,79,20,320	96.91	-	5,79,20,320	5,79,20,320	96.91	-
<b>(2) Foreign</b>	-	-	-	-	-	-	-	-	-
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	-	5,79,20,320	5,79,20,320	96.91	-	5,79,20,320	5,79,20,320	96.91	-
<b>B. PUBLIC SHAREHOLDING</b>	-	-	-	-	-	-	-	-	-
<b>(1) Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII/S	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	0	0	0	0	0	0	0	0	0
<b>(2) Non Institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies corporates	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	1844750	1844750	3.09	-	1844750	1844750	3.09	-
<b>SUB TOTAL (B)(2):</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	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	31,75,398	5.31	-	31,75,398	5.31	-	-
2	Mr. Shravan Gupta	8,98,649	1.50	-	8,98,649	1.50	-	-
3	Discovery Estates Private Limited	2,39,53,191	40.08	-	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	99,60,845	16.67	-	99,60,845	16.67	-	-
6	MGF Projects Private Limited	10,547	0.017	-	10,547	0.017	-	-
		<b>5,79,20,320</b>	<b>96.91</b>	-	<b>5,79,20,320</b>	<b>96.91</b>	-	-

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

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1					
2					
		NO CHANGE			

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs)

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Fairbridge Holdings Ltd	18,44,750	3.09	1844750	3.09

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

Sl. No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	<b>Shravan Gupta</b>				
	At the beginning of the year	8,98,649	1.5	8,98,649	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.)	-	-	-	-
	At the end of the year	8,98,649	1.5	8,98,649	1.5
2	<b>Shilpa Gupta</b>				
	At the beginning of the year	31,75,398	5.31	31,75,398	5.31
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year	31,75,398	5.31	31,75,398	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	
<b>Indebtness at the beginning of the financial year</b>					
i) Principal Amount	37,66,35,000	61,21,89,000	-	98,88,24,000	
ii) Interest due but not paid	-	-	-	-	
iii) Interest accrued but not due	-	-	-	-	
<b>Total (i+ii+iii)</b>	<b>37,66,35,000</b>	<b>61,21,89,000</b>	<b>-</b>	<b>98,88,24,000</b>	
<b>Change in Indebtedness during the financial year</b>					
Additions	-	11,66,45,000	-	11,66,45,000	
Reduction	3,82,63,000	-	-	3,82,63,000	
<b>Net Change</b>	<b>3,82,63,000</b>	<b>11,66,45,000</b>	<b>-</b>	<b>-</b>	
<b>Indebtedness at the end of the financial year</b>					
i) Principal Amount	33,83,72,000	72,88,34,000	-	1,06,72,06,000	
ii) Interest due but not paid	-	-	-	-	
iii) Interest accrued but not due	-	-	-	-	
<b>Total (i+ii+iii)</b>	<b>33,83,72,000</b>	<b>72,88,34,000</b>	<b>-</b>	<b>1,06,72,06,000</b>	

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager				Total Amount	
1	<b>Gross salary</b>						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	-	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-	-	-
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-
2	#Stock option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission - as% of profit - others, specify	-	-	-	-	-	-
5	Others, please specify (EPF Contribution)	-	-	-	-	-	-
	<b>Total (A)</b>	-	-	-	-	-	-
	<b>Ceiling as per the Act</b>	-	-	-	-	-	-



**B. Remuneration to other directors:**

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

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

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

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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
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	75%	4,00,000	0	-4,26,004	-26004	0	0	0	0	-11800	0	-11800	0
2	Kayo Developers Private Limited	2(87)(ii)	Subsidiary	10,000	0	100%	1,00,000	0	-32,363	67,637	34,91,95,637	34,91,28,000	0	0	0	0	0	0
3	Samisthi Real Estate Private Limited	2(87)(ii)	Subsidiary	10,000	0	100%	1,00,000	0	-4,86,155.09	-3,86,155.09	10,35,02,074.91	10,38,88,230	0	0	-4,68,155.09	0	-4,68,155.09	0
4	MGFD Ventures Private Limited	2(87)(ii)	Subsidiary	10,000	0	100%	1,00,00	0	-16904	83,096	98,096	15,000	0	0	-16,904	0	-16,904	0
5	Discovery Holdings Private Limited	2(6)	Associate	49,850	0	49.8%	0	0	5,77,32,342	5,87,32,342	94,045,210	3,53,12,868	0	2,742,401	4,78,628	12,74,227	-795,599	0
6	VMR Promoters Private Limited	2(6)	Associate	25,00,000	0	50%	0	0	-55,08,356	44,491,644	7,64,30,567	3,19,38,923	0	0	-64,045	1,05,90,000	-10,654,045	0
7	SSP Aviation Limited	2(6)	Associate	5,20,300	0	26.01%	0	0	-46,10,73,660	-44,10,73,660	42,48,87,193	86,59,60,853	9,96,08,450	0	-99,285	0	-99,285	0
8	MGF Promotions & Events Private Limited	2(6)	Associate	50,000	0	50%	0	0	22,425,915	23,425,915	26,295,891	2,869,976	0	3,396,000	2,440,243	628,362	1,811,881	0
9	MGF Estates Management Private Limited	2(6)	Associate	50,000	0	50%	0	0	-39,072,307	-38,072,307	77,984,263	115,579,478	0	19,44,67,719	507,465	14,05,930	-8,98,465	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 31<sup>ST</sup> MARCH, 2018**  
[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 **31<sup>st</sup> March, 2018**, 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 **31<sup>st</sup> March, 2018** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings;
- (iii) Provisions of 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;

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:

E mail: [csalokjain@gmail.com](mailto:csalokjain@gmail.com); Ph: 9871494280



- The Company has appointed Mr. Rakshit Jain as CEO on 14<sup>th</sup> February, 2017, however the Company has filed relevant form with ROC on 30<sup>th</sup> July, 2018;
- The Company has appointed Ms. Pragati Sachdeva and Mr. Ratan Kumar Thakur as Independent Director w.e.f. 07<sup>th</sup> October, 2016, however the Company has filed relevant form with ROC 12<sup>th</sup> July, 2018;
- The Company has not incurred the whole balance expenditure on CSR activity relating to previous financial years during the financial year 2017-18 although the provisions of Section 135 of the Act was not applicable for the financial year 2017-18;
- The Company has not filed AOC-4 and MGT-7 for the financial year 2016-17 till the date of this report;
- The Company has not filed MGT-14 for providing guarantee as required under section 117 of the Act;
- The Company has filed CRA-2 for the appointment of cost auditor for the financial year 2017-18 and Form CRA-4 for the cost audit report for the financial year 2016-17 with ROC with additional fees;
- The Company has appointed the statutory auditor only for a period of one year in contravention of Section 139(1) of the Act;

**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.

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.

Place: New Delhi  
Date: 04/09/2018

Jain Alok & Associates  
Company Secretaries  
  
Alok Jain  
(Proprietor)  
ACS No.:30369  
C.P No.:14828

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.


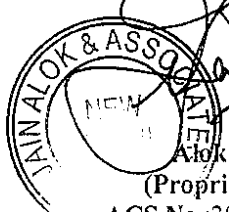
Annexure A

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: 04/09/2018



M.: 9953192128

# RAJ JHA & ASSOCIATES

Chartered Accountants

R-194, 1st Floor, Vani Vihar, Uttam Nagar, New Delhi-110059

E-mail : caraj.jha@gmail.com

## INDEPENDENT AUDITOR'S REPORT

To the Members of MGF Developments Limited

### Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of MGF Developments Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the standalone financial position, standalone financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 and the Order issued under section 143(11) of the Act.



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 about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;



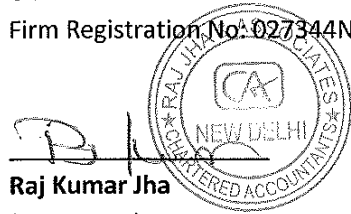


- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, statement of changes in equity and statement of cash flows dealt with by this Report are in agreement with the books of accounts.
- d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have any pending litigations which would impact its standalone financial position;
- (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Raj Jha & Associates**

Chartered Accountant

Firm Registration No. 027344N



**Raj Kumar Jha**

(Proprietor)

Membership No. 525552

Place: New Delhi

Date: September 4, 2018

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

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of MGF Developments Limited on the financial statements for the year ended March 31, 2018]

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



- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, however, there have been slight delay in few cases.

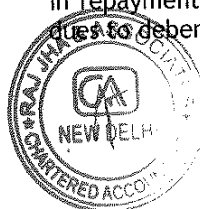
According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, which were outstanding, at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

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

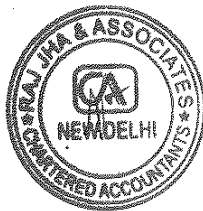
- (b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, customs duty, excise duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount	Period to which the amount relates
Finance Act, 1994	Income Tax	4,924,374	F.Y. 2004-05
Finance Act, 1994	Income Tax	5,766,995	F.Y. 2009-10
Finance Act, 1994	Income Tax	2,085,850	F.Y. 2010-11
Finance Act, 1994	Income Tax	38,928,167	F.Y. 2011-12
Finance Act, 1994	Income Tax	87,127	F.Y. 2012-13
Finance Act, 1994	Income Tax	241,388	F.Y. 2014-15
Finance Act, 1994	Income Tax	218,330	F.Y. 2015-16

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution(s), bank(s), government(s) or debenture holder(s).



- (ix) In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised. Further, the Company has not raised any money by way of initial public issue offer.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Section 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.


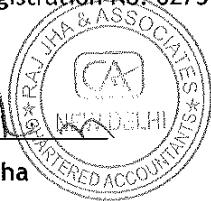


(xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Raj Jha & Associates**

Chartered Accountants

ICAI Firm Registration No. 027344N

**Raj Kumar Jha**

Proprietor

Membership No. 525552

Place: *New Delhi*

Date: *September 4, 2018*

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of MGF Developments Limited on the financial statements for the year ended March 31, 2018]

### **Report on the Internal Financial Controls over Financial Reporting 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, 2018 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 risks of material misstatement of the financial statements, whether due to fraud or error.

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



### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 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, 2018, 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 ICAI.

For Raj Jha & Associates

Chartered Accountant

Firm Registration No: 027344N

  
Raj Kumar Jha  
(Proprietor)  
Membership No. 525552



Place: New Delhi

Date: September 4, 2018

MGF DEVELOPMENTS LIMITED  
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note No.	(Amount in Rupees lacs)		
		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, plant & equipment	3	100.75	115.79	144.85
Other intangible assets	4	3.72	4.39	7.00
Investment in subsidiary	5	6.01	5.01	5.01
<b>Financial assets</b>				
Investment	6	4,336.12	4,357.17	3,417.48
Other financial assets	7	249.24	215.90	134.53
Deferred tax assets (net)	8	2,104.57	1,950.93	1,672.98
Other non current assets	9	127.07	47.56	46.93
Non-current (tax) assets	10	294.18	253.62	144.62
		<b>7,221.66</b>	<b>6,950.37</b>	<b>5,573.40</b>
<b>Current Assets</b>				
Inventories	11	12,163.71	12,073.64	10,865.13
<b>Financial assets</b>				
Investment	12	2,409.41	34.02	-
Trade receivables	13	630.28	952.12	2,549.78
Cash and cash equivalents	14	1,482.73	3,857.31	564.85
Bank balances other than Cash and Cash equivalents	15	45.42	190.18	117.39
Other financial assets	16	40,328.58	37,638.71	35,010.52
Other current assets	17	5,343.64	5,249.46	4,896.74
		<b>62,403.77</b>	<b>59,995.44</b>	<b>54,004.41</b>
<b>Total Assets</b>		<b>69,625.43</b>	<b>66,945.81</b>	<b>59,577.81</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	16	5,976.51	5,976.51	3,287.08
Other equity	19	25,554.31	23,778.24	14,352.77
		<b>31,530.82</b>	<b>29,754.75</b>	<b>17,639.85</b>
<b>Non- Current Liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	20	3,383.72	3,766.35	4,266.60
Provisions	21	36.85	34.10	30.80
		<b>3,420.57</b>	<b>3,800.45</b>	<b>4,297.40</b>
<b>Current Liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	22	7,288.34	6,121.89	8,194.79
Trade payables	23	1,493.46	1,559.48	1,773.42
Other financial liabilities	24	15,893.59	14,719.36	16,335.08
Other current liabilities	25	9,386.76	10,378.13	10,719.43
Provisions	26	6.51	6.37	6.57
Current tax liabilities (net)	27	605.38	605.38	611.27
		<b>34,674.04</b>	<b>33,390.61</b>	<b>37,640.56</b>
<b>Total Equity &amp; Liabilities</b>		<b>69,625.43</b>	<b>66,945.81</b>	<b>59,577.81</b>

Summary of significant accounting policies 2

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

As per our report of even date

For Raj Jha & Associates

Chartered Accountants

Firm Registration No. 027344N

Raj Kumar Jha

Proprietor

Membership Number 525552

NEW DELHI

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

Rakshit Jain

Director & CEO

DIN : 00607288

Nupur Jain

Company Secretary

M.No. 36044

Place : New Delhi

Date : September 4, 2018



Arun Mitter

Director

DIN : 00022941

Vijay Kumar Sharma

CFO

Place : New Delhi  
Date : September 4, 2018



MGF DEVELOPMENTS LIMITED  
Statement of Profit and Loss for the year ended March 31, 2018

	Note	(Amount in Rupees lacs)	
		Year ended March 31, 2018	Year ended March 31, 2017
<b>Income</b>			
Revenue from operations	28	3,322.73	2,325.43
Other Income	29	1,411.25	293.37
<b>Total income</b>		<b>4,733.98</b>	<b>2,618.80</b>
<b>Expenses</b>			
Cost of Materials Consumed	30	1,828.34	(958.73)
Purchase of Stock-in-Trade	31	157.28	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	32	(1,888.85)	-
Employee benefit expense	33	343.86	211.41
Financial costs	34	555.26	599.51
Depreciation and amortization expense	35	18.44	52.54
Other expenses	36	2,069.09	3,136.64
<b>Total expenses</b>		<b>3,083.42</b>	<b>3,041.37</b>
Profit before tax		<b>1,650.56</b>	<b>(422.57)</b>
<b>Tax expense:</b>			
(1) Current tax		110.54	109.13
(2) Mat credit entitlement		(86.35)	-
(2) Deferred tax liability/(Assets)		(152.34)	(277.05)
Profit for the year		<b>1,778.71</b>	<b>(254.65)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurement of post employment benefit obligations		(3.94)	(2.71)
- Income tax related to above item		1.30	0.90
<b>Other comprehensive income for the year (net of income tax)</b>		<b>(2.64)</b>	<b>(1.81)</b>
<b>Total comprehensive income for the year</b>		<b>1,776.07</b>	<b>(256.46)</b>
<b>Earnings per equity share (in ₹)</b>	37		
face value per share ₹ 10 each (Previous year ₹ 10 each)			
-Basic earning per share		2.98	(0.43)
-Diluted earning per share		2.98	(0.43)
<b>Summary of significant accounting policies</b>	2		
The accompanying notes are an integral part of the financial statements.			

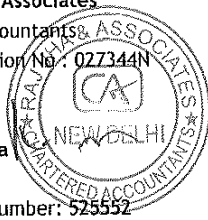
As per our report of even date

For Raj Jha & Associates

Chartered Accountants

Firm Registration No: 027344N

Raj Kumar Jha  
Proprietor  
Membership Number: 525552



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

*Rakshit Jain*

Rakshit Jain  
Director & CEO  
DIN : 00607288

*Nupur Jain*  
Nupur Jain  
Company Secretary  
M.No. 36044



*Arun Mitter*

Arun Mitter  
Director  
DIN : 00022941

*Vijay Kumar Sharma*  
Vijay Kumar Sharma  
CFO

Place : New Delhi  
Date : September 4, 2018

Place : New Delhi  
Date : September 4, 2018

	(Amount in Rupees lacs)	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>Cash flow from operating activities</b>		
Net loss before tax from continuing business	1,650.56	(422.57)
Net profit before tax from discontinued business	(3.94)	(2.71)
<i>Adjustments for:</i>		
Depreciation and amortization from continuing operations	18.44	52.54
Provision for doubtful receivables	(979.39)	985.78
Loss on restatement of mutual fund	(130.39)	0.05
Loss on Sale of Investments	0.00	3.72
Loss on Sale of Fixed Assets	7.52	0.00
Interest Charges on Term Loans	476.70	525.13
Interest Charges on ICD	64.85	64.85
Interest Income	(48.45)	(177.30)
Profit on Sale of Investments	(242.39)	(42.56)
Dividend Income	(1.56)	(37.78)
	<u>(834.67)</u>	<u>1,374.43</u>
<b>Operating profit before working capital changes</b>	<b>811.95</b>	<b>949.15</b>
<i>Movement in assets and liabilities, net</i>		
<i>Adjustments for (increase)/decrease in operating assets:</i>		
Non-Current other financial assets	(6.63)	(55.21)
Other non current assets	6.84	(0.63)
Inventories	(90.07)	(1,208.51)
Trade receivables	1,301.23	611.88
Other current financial assets	(2,584.53)	(4,505.04)
Other current assets	(94.18)	(352.72)
<i>Adjustments for increase/(decrease) in operating liabilities:</i>		
Non-current provisions	2.75	3.30
Trade payables	(66.02)	(213.94)
Other current financial liabilities	1,131.50	(1,566.03)
Other current liabilities	(991.37)	(341.30)
Current provisions	0.14	(0.20)
	<u>(1,390.34)</u>	<u>(7,628.40)</u>
<b>Cash generated from/(used in) operating activities</b>	<b>(578.39)</b>	<b>(6,679.25)</b>
Less: taxes paid, (net of refund and interest thereon)	(151.09)	(224.03)
<b>Net cash generated from operating activities</b>	<b>(729.48)</b>	<b>(6,903.28)</b>
<b>Cash flow from investing activities</b>		
Investment in subsidiary	(1.00)	0.00
Investment in others	263.44	(900.85)
Investment in mutual funds	(2,245.00)	(34.07)
Investment in fixed deposits	119.56	(97.77)
Capital expenditure on property, plant and equipment	(12.49)	(20.87)
Proceeds from sale of property, plant and equipment	2.23	0.00
Loans given to related parties (net of realisation)	(838.94)	2,665.24
Loans given to others (net of realisation)	734.85	(791.69)
Dividend income	1.56	37.78
Interest received	45.69	179.42
<b>Net cash (used in) investing activities</b>	<b>(1,930.10)</b>	<b>1,037.19</b>



Continued to next page

	Year ended March 31, 2018	Year ended March 31, 2017
<b>Cash flow from financing activities</b>		
Proceeds from issue of shares	0.00	2,689.43
Security premium received on issue of shares	0.00	9,681.94
Repayment of long-term borrowings (including current maturities)	(339.90)	(564.33)
Movement in current borrowings	1,166.45	(2,072.90)
Finance cost	(541.55)	(575.59)
<b>Net cash generated/(used in) from financing activities</b>	<b>285.00</b>	<b>9,158.55</b>
Net increase/(decrease) in cash and cash equivalents	(2,374.58)	3,292.46
<b>Cash and cash equivalents</b>		
-Beginning of the year	3,857.31	564.85
-End of the year	<b>1,482.73</b>	<b>3,857.31</b>
<b>Cash and bank balances as per Balance Sheet</b>	<b>1,482.73</b>	<b>3,857.31</b>

Summary of significant accounting policies (refer note 2)

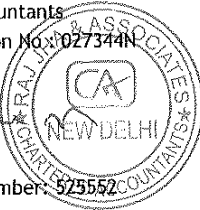
i. The cash flow statement has been prepared under the indirect method as set out in Ind AS-7 on "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013, as applicable.

As per our report of even date  
For Raj Jha & Associates

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

Chartered Accountants  
Firm Registration No.: 027344N

Raj Kumar Jha  
Proprietor  
Membership Number: 525552



*Rakshit Jain*

Rakshit Jain  
Director & CEO  
DIN : 00607288

*Nupur Jain*

Nupur Jain  
Company Secretary  
M.No. 36044



*Arun Mitter*

Arun Mitter  
Director  
DIN : 00022941

*Vijay Kumar Sharma*

Vijay Kumar Sharma  
CFO

Place: New Delhi  
Date : September 4, 2018

Place: New Delhi  
Date : September 4, 2018



## 1. Reporting Entity

MGF Developments Limited ("the Company") was incorporated on September 16, 1996 under the Companies Act, 1956. 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, hotels, IT parks, etc.

The accompanying financial statements reflect the results of the activities undertaken by the Company during the year April 01, 2017 to March 31, 2018.

## 2A. Basis of preparation.

### (i) Statement of compliance:

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company's financial statements up to and for the year ended March 31, 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ("Previous GAAP").

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 48 to the financial statements.

The financial statement provides comparative information in respect of previous year. In addition, the company presents balance sheet as at beginning of the previous year i.e. April 1, 2016, which is the transition date of Ind AS.

Amounts for the year ended March 31, 2017 and as at March 31, 2017 and April 1, 2016 were audited by previous auditors - R Balachandran & Co.

These financial statements were authorised for issue by the Company's Board of Directors on May 23, 2018.

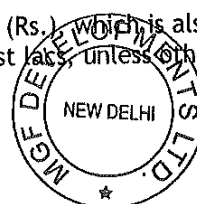
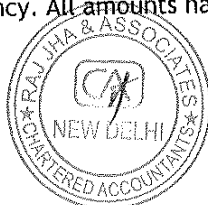
The accounting policies have been consistently applied by the Company for the financial years presented in the financial statements and are consistent with those used in the previous year.

### (ii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

### (iii) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lac, unless otherwise indicated.



(iv) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

(v) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements.

**Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2018.

(vi) Measurement of fair value

A number of accounting policies and disclosures require measurement of fair value for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

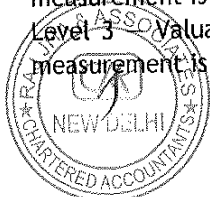
The principal or the most advantageous market must be accessible to/ by the Company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable



For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## 2B. Significant accounting policies

### (i) Revenue recognition

Revenue is recognized when its probability that the economic benefits will flow to the company and it can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable net of rebate and taxes. The company applies the revenue recognition criteria to each nature of the revenue transaction as set out below.

#### **Revenue from real estate projects**

Revenue from real estate projects under development is computed on the percentage of completion method. Revenue is recognised in the financial year in which the agreement to sell or application forms (containing sale in terms of agreement to sell) is executed, on the percentage of completion method which is applied on a cumulative basis in each accounting year to the current estimate of contract revenue and related project cost, once the conditions specified in 'Guidance note on accounting for Real Estate Transactions' are satisfied.

The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates is recognised in the period changes are determined. However, when the total project cost is estimated to exceed total revenue from the project, the loss is recognised immediately.

#### **Revenue from sale of land**

Gain /loss from sale of undeveloped unsuitable land is recognised in the financial year in which transfer is made by registration of sale deeds or otherwise in favour of the buyers.

#### **Revenue from collaboration agreement**

Revenue from Collaboration Agreements is recognised as and when services are rendered in accordance with the terms of agreements entered with the collaborators, based on the percentage share of gross revenue of collaborators.

#### **Revenue from Joint Development Agreement (JDA) executed with landowners:**

JDA's entered into with landowners for the exchange of land against consideration in the form of property of development rights are treated as exchange of dissimilar goods and are accounted for at fair value. The revenue arising out of the same is measured at the fair value of goods received. When the fair value of the goods received cannot be measured reliably, the revenue is measured at the fair value of the goods given up.

#### **Income from compulsory acquisition of land**

Income in respect of compulsory acquisition (both original and enhanced compensation) of land by the Government is recognised upon receipt of compensation order from the Government or Court at an amount equivalent to gross amount received/receivable, net of the cost of the land acquired by the Government.

#### **Interest due on delayed payments and forfeiture income on cancelled units**

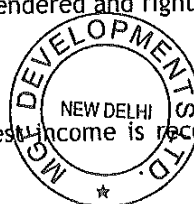
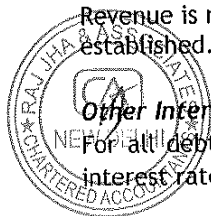
Revenue is recognised as and when due to the extent certainty of payments realisation is established in relation to such income.

#### **Revenue from hospitality and leisure activities**

Revenue is recognised as and when services are completely rendered and right to receive money has been established.

#### **Other Interest income**

For all debt instruments measured at amortised cost interest income is recorded using the effective interest rate (EIR)



***Dividend Income***

Revenue is recognised when the company's right to receive the payment is established, which is generally when shareholders approve the dividend.

***Unbilled receivables***

Unbilled receivables represent revenue recognised based on percentage of completion method as per policy on Revenue over and above the amount due as per the payment plans agreed with the customers.

**(ii) Property, plant and equipment**

Recognition and measurement

Items of property, plant and equipment are measured at cost net of recoverable taxes (wherever applicable), which includes capitalised borrowing costs less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, if any, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016, measured as per the Previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

Subsequent expenditure

Subsequent expenditure are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

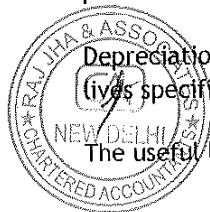
All other repairs and maintenance are charged to the statement of profit and loss during the reporting year in which they are incurred.

Depreciation methods, estimated useful lives and residual values

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value over their useful life using straight line method and is recognised in the statement of profit and loss.

Depreciation has been calculated on straight line method at the useful lives which are equal to useful lives specified as per schedule II to the Act.

The useful lives of the assets are as under:



Particulars	Useful lives (in years)
<b>Tangible assets:</b>	
Furniture and Fixtures	10
Plant & Machinery	15
Office equipment	5
Vehicles	8-10
Leasehold improvements	60
Computer equipment	3

Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/discard from property, plant and equipment is provided for up to the date of sale, deduction or discard of property, plant and equipment as the case may be.

Depreciation method, useful lives and residual values are reviewed at each financial year-end, and changes, if any, are accounted for prospectively.

**(iii) Intangible assets**

An intangible asset is recognised when it is probable that the future economic benefits attributable to the asset will flow to the company and where its cost can be reliably measured.

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use.

Other intangible assets including those acquired by the Company in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the statement of profit and loss as incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2016, measured as per the Previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in the statement of profit and loss.





The useful lives of intangible assets are as follows:

Intangible assets:	Useful lives (in years)
Trademark	10
Computer software	5

Amortisation method, useful lives and residual values are reviewed at each financial year-end, and changes, if any, are accounted for prospectively.

Losses arising from the retirement of, and gain or losses arising from disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of asset and recognised as income or expense in the statement of profit and loss.

**(iv) Impairment of non-financial assets**

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's or CGU's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

**(v) Borrowing costs**

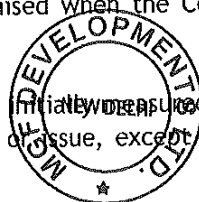
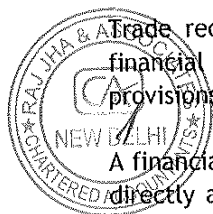
Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**(vi) Financial instruments**

**i. Recognition and initial measurement**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, transaction costs that are directly attributable to its acquisition or issue, except for an item recognised at fair value through



profit and loss. Transaction cost of financial assets carried at fair value through profit and loss is expensed in the statement of profit and loss.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (OCI), or
- Fair value through profit and loss (FVTPL)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

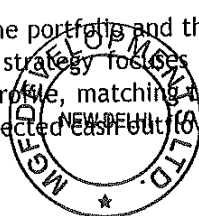
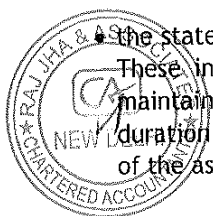
On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment by investment basis.

All financial assets not classified to be measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;



- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features; prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

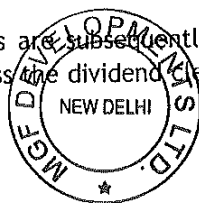
A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

*Financial assets: Subsequent measurement and gains and losses*

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the statement of profit and loss.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the statement of profit and loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the



cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

#### Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

#### iii. Offsetting

Financial assets and monetary liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

#### iv. Derecognition

##### *Financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

##### *Financial liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

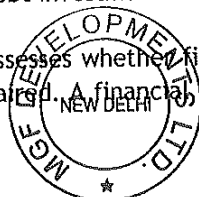
The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

#### v. Impairment of financial instruments:

The Company recognises loss allowances for expected credit losses on:

- Financial assets measured at amortised cost; and
- Financial assets measured at FVOCI- debt investments

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more



events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 150 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Expected credit loss:

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than agreed credit period.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is past due and not recovered within agreed credit period.

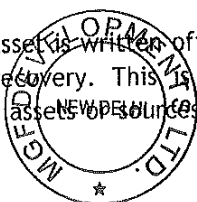
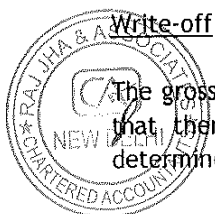
Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). Presentation of allowance for expected credit losses in the balance sheet.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient



cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(vii) **Employee Benefits**

**Short term employee benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and bonus etc are recognised in the statement of profit and loss in the year in which the employee renders the related service. The liabilities are presented as current employee benefit obligation in statement of financial position.

**Long term employee benefits**

***Defined contribution plan: Provident fund***

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate as per the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952. These contributions are made to the fund administered and managed by the Government of India. The Company has no further obligations under the plan beyond its monthly contributions.

***Defined Benefit Plan: Gratuity***

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods.

The Company provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the company with respect to gratuity is accounted for on the basis of an actuarial valuation as at the balance sheet date. The plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service as at the balance sheet date through which the obligations are to be settled.

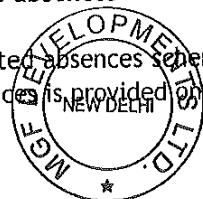
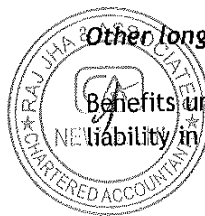
The resultant actuarial gain or loss on change in present value of the defined benefit obligation is recognised as an income or expense in the other comprehensive income.

The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

***Other long-term benefits: Compensated absences***

Benefits under the Company's compensated absences scheme constitute other employee benefits. The liability in respect of compensated absences is provided on the basis of an actuarial valuation using the



Projected Unit Credit Method. done by an independent actuary as at the balance sheet date. Actuarial gain and losses are recognised immediately in the statement of profit and loss.

(viii) **Income tax**

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

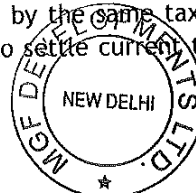
- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be real.



Minimum alternate tax

Minimum Alternative Tax ('MAT') credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. Significant management judgement is required to determine the probability of recognition of MAT credit entitlement.

**(ix) Contingent Liability, Contingent Asset and Provisions**

Contingent liability

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Provisions

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

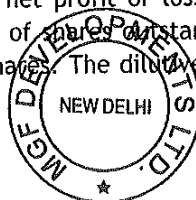
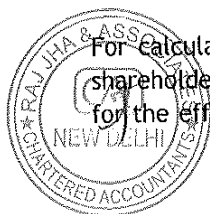
**(x) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current financial liabilities in the balance sheet.

**(xi) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events such as bonus issue, share split or consolidation of shares.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed





**MGF Developments Limited**  
**Notes to the Financial Statements for the year ended March 31, 2018**

converted into equity shares as at the beginning of the period, unless they have been issued at a later date.

**(xii) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

In accordance with Ind AS 108 - Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance.

Segment Earnings Before Interest, Tax and Depreciation ('EBITDA') is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

The operating segments have been identified on the basis of the nature of products/services. Company deals in one business namely "Educational Research".

The Board of Director(s) are collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. Refer Note 33 for segment information.



## A. Equity share capital

Balance as at April 01, 2016	3,287.08
Changes in equity share capital during the year 2016-17	2,689.43
Balance as at March 31, 2017	5,976.51
Changes in equity share capital during the year 2017-18	-
Balance as at March 31, 2018	5,976.51

## B. Other equity

For the year ended March 31, 2018

(Amount in Rupees lacs)

Particulars	Reserves & Surplus				Remeasurment of defined	Total
	Security premium	General reserve	Deemed equity	Retained Earnings		
Balance as at April 1, 2016	2,711.70	324.39	71.25	9,044.62	-	12,151.96
Ind AS transition adjustments (Refer note 48)	-	-	-	2,200.82	-	2,200.82
Restated balance at the beginning of the reporting year	2,711.70	324.39	71.25	11,245.44	-	14,352.78
Security premium on share fully paid during the year	9,681.94	-	-	-	-	9,681.94
Profit for the year	-	-	-	(254.73)	-	(254.73)
Other comprehensive Income	-	-	-	-	(1.82)	(1.82)
<b>Total Comprehensive Income</b>	-	-	-	<b>(254.73)</b>	<b>(1.82)</b>	<b>9,425.39</b>
Balance as at March 31, 2017	12,393.64	324.39	71.25	10,990.71	(1.82)	23,778.17
Profit for the year	-	-	-	1,778.70	-	1,778.70
Other comprehensive Income	-	-	-	-	(2.64)	(2.64)
<b>Total Comprehensive Income</b>	-	-	-	<b>1,778.70</b>	<b>(2.64)</b>	<b>1,776.06</b>
Balance as at March 31, 2018	12,393.64	324.39	71.25	12,769.41	(4.46)	25,554.23

As per our report of even date

For Raj Jha &amp; Associates

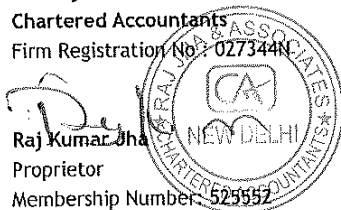
Chartered Accountants

Firm Registration No: 027344N

Raj Kumar Jha

Proprietor

Membership Number: 525552



For and on behalf of Board of Directors of

MGF Developments Limited

*Rakshit Jain*

*Arun Mittar*

Rakshit Jain

Director &amp; CEO

DIN : 00607288

Nupur Jain

Company Secretary

M.No. 36044

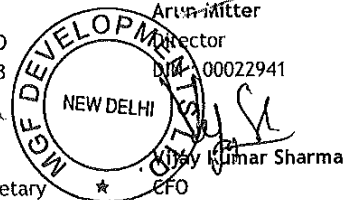
Arun Mittar

Director

DIN : 00022941

Vijay Kumar Sharma

CFO



Place: New Delhi

Date : September 4, 2018

Place: New Delhi

Date : September 4, 2018

MGF DEVELOPMENTS LIMITED

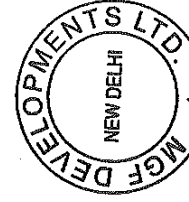
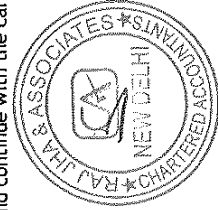
Notes to the financial statements for the year ended March 31, 2018

3. Property, plant and equipment

Particulars	(Amount in Rupees lacs)									
	Building	Plant & machinery	Furniture and fixtures	Vehicles*	Office equipment	Lease hold improvement	Computer hardware	Total		
Cost or deemed cost (gross carrying amount)										
Balance as at April 01, 2016	-	29.26	9.26	27.99	2.50	68.55	7.29	144.85		
Ind AS adjustments	-	-	-	-	-	-	-	-		
Adjusted balance as at April 01, 2016	-	29.26	9.26	27.99	2.50	68.55	7.29	144.85		
Additions	-	-	-	-	5.89	-	14.98	20.87		
Disposals	-	-	-	-	-	26.38	-	26.38		
Reclassification of assets as held for sale as part of disposal group	-	-	-	-	-	-	-	-		
Ind AS remeasurement	-	-	-	-	-	-	-	-		
Balance as at March 31, 2017	-	29.26	9.26	27.99	8.39	42.17	22.27	139.34		
Balance as at April 01, 2017	-	29.26	9.26	27.99	8.39	42.18	22.26	139.34		
Additions	-	7.54	-	-	2.98	-	1.97	12.49		
Disposals	-	-	-	1.80	2.50	-	5.55	9.85		
Ind AS remeasurements	-	-	-	-	-	-	-	-		
Balance as at March 31, 2018	-	36.80	9.26	26.19	8.87	42.18	18.68	141.98		
Accumulated depreciation and impairment losses										
Depreciation for the year	-	5.85	1.19	5.99	2.07	28.40	6.43	49.93		
Reclassification of assets as held for sale as part of disposal group	-	-	-	-	-	-	-	-		
Disposals	-	-	-	-	-	26.38	-	26.38		
Balance as at March 31, 2017	-	5.85	1.19	5.99	2.07	2.02	6.43	23.55		
Balance at April 01, 2017	-	5.85	1.19	5.99	2.07	2.02	6.43	23.55		
Depreciation for the year	-	5.41	0.07	1.14	2.51	1.92	6.73	17.78		
Disposals	-	-	-	0.05	-	-	0.05	0.10		
Balance as at March 31, 2018	-	11.26	1.26	7.08	4.58	3.94	13.11	41.23		
Carrying amount (net)										
As at April 01, 2016	-	29.26	9.26	27.99	2.50	68.55	7.29	144.85		
As at March 31, 2017	-	23.41	8.07	22.00	6.32	40.15	15.84	115.79		
As at March 31, 2018	-	25.54	8.00	19.11	4.29	38.24	5.57	100.75		

Note:

i. The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its property, plant and equipment as its deemed cost as at the date of transition,



MGF DEVELOPMENTS LIMITED

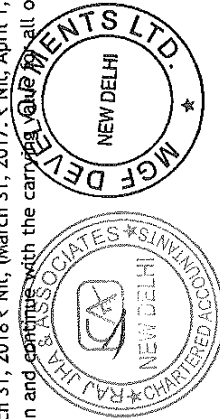
Notes to the financial statements for the year ended March 31, 2018

4. Other intangible assets

Particulars	(Amount in Rupees lacs)		
	Trade Marks	Computer Software	Total
Cost or deemed cost (gross carrying amount)			
Balance as at April 01, 2016	6.04	0.96	7.00
Ind AS adjustments	-	-	-
Adjusted balance as at April 01, 2016	6.04	0.96	7.00
Additions	-	-	-
Disposals	-	-	-
Ind AS remeasurement	-	-	-
Balance as at March 31, 2017	6.04	0.96	7.00
Balance as at April 01, 2017	6.04	0.96	7.00
Additions	-	-	-
Disposals	-	-	-
Ind AS remeasurements	-	-	-
Balance as at March 31, 2018	6.04	0.96	7.00
Accumulated amortisation and impairment losses			
Balance as at April 01, 2016	-	-	-
Depreciation for the year	2.61	-	2.61
Disposals	-	-	-
Balance as at March 31, 2017	2.61	-	2.61
Balance as at April 01, 2017	2.61	-	2.61
Depreciation for the year	0.67	-	0.67
Disposals	-	-	-
Balance as at March 31, 2018	3.28	-	3.28
Carrying amount (net)			
As at April 01, 2016	6.04	0.96	7.00
As at March 31, 2017	3.43	0.96	4.39
As at March 31, 2018	2.76	0.96	3.72

Notes:

- Internally generated intangible assets as at March 31, 2018 ₹ Nil, (March 31, 2017: ₹ Nil, April 1, 2016: ₹ Nil).
- The Company has elected Ind AS 101 exemption and continues with the carrying value of all of its intangible assets as its deemed cost as at the date of transition, for details refer note 48.



## 5 Investment in subsidiary

Particulars	<i>(Amount in Rupees lacs)</i>		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unquoted, trade investment, at cost			
Investment in subsidiaries			
Crimpsion Holdings Private Limited 30,000 (March 31 2017: 30,000, April 1, 2016: 30,000) equity shares of INR 10 each	3.00	3.00	3.00
Kayo Developers Private Limited 10,000 (March 31 2017: 10,000, April 1, 2016: 10,000) equity shares of INR 10 each	1.01	1.01	1.01
Samisthi Real Estate Private Limited 10,000 (March 31 2017: 10,000, April 1, 2016: 10,000) equity shares of INR 10 each	1.00	1.00	1.00
MGFD Ventures Private Limited 10,000 (March 31 2017: Nil, April 1, 2016: Nil) equity shares of INR 10 each	1.00	-	-
	<b>6.01</b>	<b>5.01</b>	<b>5.01</b>

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

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Aggregate book value of unquoted non current investment	6.01	5.01	5.01

The company has elected to measure all of its investments in subsidiary company at their previous GAAP carrying value. (refer note 48)

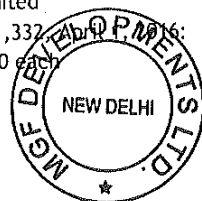
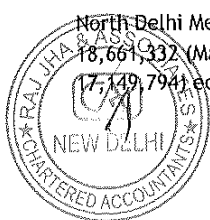
There are no other significant restrictions on the right of ownership, realisability of investments or the remittance of income and proceeds of disposal.

## 6 Non current financial assets- investment

Particulars	<i>(Amount in Rupees lacs)</i>		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unquoted, trade investment, at cost			
Investment in associate			
Discovery Holdings Private Limited 49,850 (March 31 2017: 49,850, April 1, 2016: 49,850) equity shares of INR 10 each	4.99	4.99	4.99
MGF Estates Management Private Limited 50,000 (March 31 2017: 50,000, April 1, 2016: 50,000) equity shares of INR 10 each	5.00	5.00	5.00
MGF Promotions & Events Private Limited 50,000 (March 31 2017: 50,000, April 1, 2016: 50,000) equity shares of INR 10 each	5.00	5.00	5.00
SSP Aviation Limited 520,300 (March 31 2017: 520,300, April 1, 2016: 520,300) equity shares of INR 10 each	52.14	52.14	52.14
VMR Promoters Private Limited 2,500,000 (March 31 2017: 2,500,000, April 1, 2016: 2,500,000) equity shares of INR 10 each	264.54	264.54	250.31
(A)	<b>331.67</b>	<b>331.67</b>	<b>317.44</b>

## Investment in joint venture

North Delhi Metro Mall Private Limited 18,661,332 (March 31 2017: 18,661,332, April 1, 2016: 17,139,794) equity shares of INR 10 each	2,745.24	2,745.24	1,717.39
(B)	<b>2,745.24</b>	<b>2,745.24</b>	<b>1,717.39</b>



**Investment in other companies**

Aryan Life Style Private Limited 640,000 (March 31 2017: 640,000, April 1, 2016: 640,000) equity shares of INR 10 each	64.00	64.00	64.00
Discovery Estates Private Limited 500 (March 31 2017: 500, April 1, 2016: 500) equity shares of INR 10 each	0.05	0.05	0.05
EMAAR MGF Education Private Limited 8,000 (March 31 2017: 8,000, April 1, 2016: 8,000) equity shares of INR 10 each	204.00	204.00	204.00
EMAAR MGF Land Limited 434,318 (March 31 2017: 434,318, April 1, 2016: 434,318) equity shares of INR 10 each	189.31	189.31	189.31
MGF Retail Services Private Limited 3,500 (March 31 2017: 3,500, April 1, 2016: 3,500) equity shares of INR 10 each	0.35	0.35	0.35
Shanti Apparels Private Limited 440 (March 31 2017: 440, April 1, 2016: 440) equity shares of INR 10 each	127.38	127.38	127.38
Vishnu Appartments Private Limited 365,000 (March 31 2017: 365,000, April 1, 2016: 365,000) equity shares of INR 10 each	37.50	37.50	37.50
(C)	<u>622.59</u>	<u>622.59</u>	<u>622.59</u>

**Investment in others**

In Paintings and Sculptures	636.62	657.67	760.06
(D)	<u>636.62</u>	<u>657.67</u>	<u>760.06</u>
(A+B+C+D)	<u>4,336.12</u>	<u>4,357.17</u>	<u>3,417.48</u>

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

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Aggregate book value of unquoted non current investment	3,699.48	3,699.48	2,657.41

The company has elected to measure all of its investments in subsidiary company at their previous GAAP carrying value. (refer note 48)

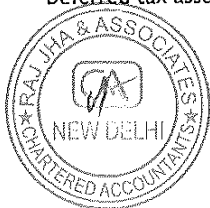
There are no other significant restrictions on the right of ownership, realisability of investments or the remittance of income and proceeds of disposal.

**7 Other non current financial assets**

Particulars	(Amount in Rupees lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Security Deposits	136.50	129.87	74.66
Fixed Deposits with maturity more than 12 months	106.69	81.49	56.51
Interest Receivable	6.05	4.54	3.36
	<u>249.24</u>	<u>215.90</u>	<u>134.53</u>

**8 Deferred tax assets (net)**

Particulars	(Amount in Rupees lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax assets (net)	2,104.57	1,950.93	1,672.98
	<u>2,104.57</u>	<u>1,950.93</u>	<u>1,672.98</u>



## 9 Non current assets

Particulars	<i>(Amount in Rupees lacs)</i>		
	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
Financial guarantee receivable	37.86	41.29	46.93
Mat credit entitlement	86.35	-	-
Prepaid lease rent	2.86	6.27	-
	<b>127.07</b>	<b>47.56</b>	<b>46.93</b>

## 10 Non-current (tax) assets

Particulars	<i>(Amount in Rupees lacs)</i>		
	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
Advance income tax (net of provision as at March 31, 2018 INR 536.04 lacs (March 31, 2017: INR 425.50 lacs, April 1, 2016: INR 157 lacs))	294.18	253.62	144.62
	<b>294.18</b>	<b>253.62</b>	<b>144.62</b>

## 11 Inventories

Particulars	<i>(Amount in Rupees lacs)</i>		
	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
Land at Kherki Daula	339.68	339.68	339.68
(A)	<b>339.68</b>	<b>339.68</b>	<b>339.68</b>

## Construction Work in Progress (As taken Valued and Certified by the Management)

Opening Balance	5,232.82	4,024.30	3,426.55
Add : Proportionate Cost of work done during the year	29.55	249.78	1,923.57
Less : Cost of construction charged to Profit & Loss Account	(1,828.34)	958.73	(1,325.82)
(B)	<b>3,434.03</b>	<b>5,232.81</b>	<b>4,024.30</b>

## Finished Stock (As taken Valued and Certified by the Management)

a) Closing Inventory of Built-up shops	4,357.48	4,357.48	4,357.48
Add : Stock of Area of 59030.80 Sqft @ Rs. 2943.06 per sqft in Metropolis Mall transferred to Finished Stock from WIP on the Completion of Project	1,731.57	-	-
Add: Purchase of Unit No. UG-005 from Hemand & Smriti Gupta in Metropolis Mall-GGN	157.28	-	-
	<b>6,246.33</b>	<b>4,357.48</b>	<b>4,357.48</b>
b) Investment Project - Wazirpur (DMRC Wazirpur)	-	-	65.18
Add : Additions additions during the year	-	-	-
Less: Amortisation	-	-	(38.80)
	-	-	-
c) Investment Project - Qutab	2,143.67	2,143.67	2,143.67
(C)	<b>8,390.00</b>	<b>6,501.15</b>	<b>6,501.15</b>
(A+B+C)	<b>12,163.71</b>	<b>12,073.64</b>	<b>10,865.13</b>

## 12 Current financial investments

Particulars	<i>(Amount in Rupees lacs)</i>		
	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
Investment in Mutual Funds	2,409.41	34.02	-
	<b>2,409.41</b>	<b>34.02</b>	<b>-</b>



## 13 Trade receivables

Particulars	(Amount in Rupees lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Un-secured, considered good			
Outstanding for a period exceeding six months from the date they are due for payment	292.75	668.08	189.54
Other receivables	337.53	284.04	2,360.24
	<u>630.28</u>	<u>952.12</u>	<u>2,549.78</u>
Un-secured, considered doubtful	1,571.42	2,550.81	1,565.03
Less: Provision for doubtful debts	(1,571.42)	(2,550.81)	(1,565.03)
Total Trade Receivable	<u>630.28</u>	<u>952.12</u>	<u>2,549.78</u>

## 14 Cash and cash equivalents

Particulars	(Amount in Rupees lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with banks			
On current accounts	1,268.48	3,782.09	485.78
Deposits with original maturity of less than three months	196.40	51.51	28.30
Cheques, drafts on hand	-	6.41	-
Cash on hand	17.85	17.30	50.77
	<u>1,482.73</u>	<u>3,857.31</u>	<u>564.85</u>

## 15 Bank balances other than Cash and Cash equivalents

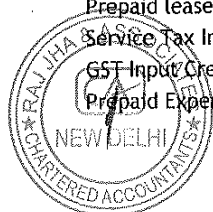
Particulars	(Amount in Rupees lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deposits with Maturity Period of more than 3 months but upto 12 months	45.42	190.18	117.39
	<u>45.42</u>	<u>190.18</u>	<u>117.39</u>

## 16 Other current financial assets

Particulars	(Amount in Rupees lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Inter-corporate Deposit Interest Free - related parties	22,329.01	21,490.07	24,155.31
Inter-corporate Deposit Interest Free - Other Parties	2,928.87	3,663.72	2,872.03
Other Receivables- related parties	1,568.88	8,281.38	4,080.12
Other Receivables- others	9,934.10	1,197.66	1,009.69
Interest Receivable	9.66	8.41	11.71
Security Deposits	2,474.78	2,474.48	2,372.81
Business Advances	1,078.54	518.36	485.85
Advances To Suppliers	-	0.30	23.00
Advances Given to Staff	4.74	4.33	-
	<u>40,328.58</u>	<u>37,638.71</u>	<u>35,010.52</u>

## 17 Other current assets

Particulars	(Amount in Rupees lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance Against Land	2,571.01	2,571.01	2,169.35
Booking Advance - Related Party	2,630.00	2,630.00	2,630.00
Imprest	-	0.10	0.30
Prepaid lease rent	3.41	6.76	-
Service Tax Input Credit	20.93	23.42	52.88
GST Input Credit	104.55	-	-
Prepaid Expenses	13.74	18.17	44.21
	<u>5,343.64</u>	<u>5,249.46</u>	<u>4,896.74</u>





**MGF DEVELOPMENTS LIMITED**  
Notes to the financial statements for the year ended March 31, 2018

**18 Equity share capital**

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

	March 31, 2018		March 31, 2017		April 1, 2016	
	Numbers	Amount in lacs	Numbers	Amount in lacs	Numbers	Amount in lacs
<b>Authorised shares</b>						
Equity shares of INR 10 each (Previous year INR 10)	60,000,000	6,000.00	60,000,000	6,000.00	60,000,000	6,000.00
<b>Issued, subscribed and fully paid up shares</b>						
Equity shares of INR 10 each (Previous year INR 10)	59,765,070	5,976.51	59,765,070	5,976.51	29,882,535	2,988.25
<b>Issued, subscribed and partly paid up shares</b>						
Equity shares of INR 10 each (Previous year INR 10), INR 1 per share paid up	-	-	-	-	29,882,535	298.83
	<b>59,765,070</b>	<b>5,976.51</b>	<b>59,765,070</b>	<b>5,976.51</b>	<b>59,765,070</b>	<b>3,287.08</b>

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

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Numbers	Amount in lacs	Numbers	Amount in lacs	Numbers	Amount in lacs
At the beginning of the year	59,765,070	5,976.51	59,765,070	3,287.08	29,882,535	2,988.25
Issued during the year	-	-	-	-	29,882,535	298.83
Partly paid up shares converted into fully paid up for INR 9 per share	-	-	-	2,689.43	-	-
Outstanding at the end of the year	<b>59,765,070</b>	<b>5,976.51</b>	<b>59,765,070</b>	<b>5,976.51</b>	<b>59,765,070</b>	<b>3,287.08</b>

**b) Terms/rights attached to equity share**

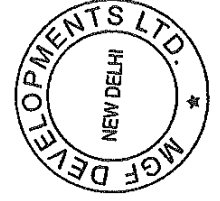
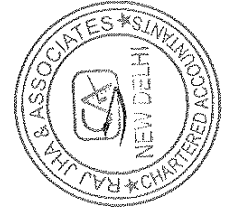
**Voting**  
Each holder of equity shares is entitled to one vote per share held.

**Dividends**

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

**Liquidation**

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



MGF DEVELOPMENTS LIMITED  
Notes to the financial statements for the year ended March 31, 2018

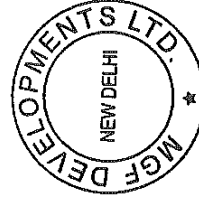
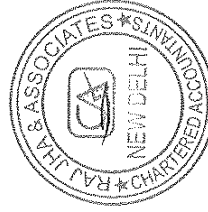
c) Shares held by the holding company / ultimate holding company and/or their associates/ subsidiaries.

Name of share holder	March 31, 2018		March 31, 2017		April 1, 2016	
	Numbers	% held	Numbers	% held	Numbers	% held
Discovery Estates Private Limited	23,953,191	40.08	23,953,191	40.08	13,992,346	23.41
	23,953,191	40.08	23,953,191	40.08	13,992,346	23.41

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

Name of share holder	March 31, 2018		March 31, 2017		April 1, 2016	
	Numbers	% held	Numbers	% held	Numbers	% held
Discovery Estates Private Limited	23,953,191	40.08	23,953,191	40.08	13,992,346	23.41
Vishnu Apartments Private Limited	19,921,690	33.33	19,921,690	33.33	19,921,690	33.33
SSP Aviation Limited	9,960,845	16.67	9,960,845	16.67	19,921,690	33.33
Shravan Gupta	898,649	1.50	898,649	1.50	4,053,649	6.78
Shilpa Gupta	3,175,398	5.31	3,175,398	5.31	20,398	0.03

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



## 19 Other equity

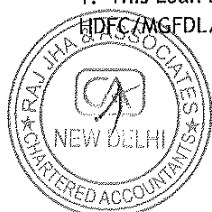
	<i>(Amount in Rupees lacs)</i>		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Securities premium account</b>			
Opening balance	12,393.64	2,711.70	2,711.70
Add: Security premium on share fully paid during the year	-	9,681.94	-
<b>Closing balance (A)</b>	<b>12,393.64</b>	<b>12,393.64</b>	<b>2,711.70</b>
<b>General reserve</b>			
Opening balance	324.39	324.39	324.39
<b>Closing balance (B)</b>	<b>324.39</b>	<b>324.39</b>	<b>324.39</b>
<b>Surplus in the statement of profit and loss</b>			
Opening balance	10,990.78	11,245.43	11,245.43
Add: profit for the year	1,778.71	(254.65)	-
<b>Closing balance (C)</b>	<b>12,769.49</b>	<b>10,990.78</b>	<b>11,245.43</b>
<b>Other comprehensive income</b>			
Opening balance	(1.82)	-	-
Add: Remeasurement of post employment benefit obligations	(2.64)	(1.82)	-
<b>Closing balance (D)</b>	<b>(4.46)</b>	<b>(1.82)</b>	<b>-</b>
<b>Deemed capital contribution</b>			
Opening balance	71.25	71.25	71.25
Add/Less: Financial guarantee given/taken during the year	-	-	-
<b>Closing balance (D)</b>	<b>71.25</b>	<b>71.25</b>	<b>71.25</b>
<b>Total other equity (A+B+C+D)</b>	<b>25,554.31</b>	<b>23,778.24</b>	<b>14,352.77</b>

## 20 Non current borrowings

	<i>(Amount in Rupees lacs)</i>		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Secured</b>			
Financial Institutions	3,763.39	4,103.29	4,667.62
Amount disclosed under the head "other current financial liabilities"	(379.67)	(336.94)	(401.02)
	<b>3,383.72</b>	<b>3,766.35</b>	<b>4,266.60</b>

Loan from HDFC Ltd. of Rs. 45 Crores

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



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

3. This loan shall be repaid by way of 108 Equated Monthly Installments: 107 (One Hundred and Seven) Equated Monthly Installments (EMI) of INR 68.34 lacs each, w.e.f. February 2, 2016 followed by 108th EMI of INR 65.56 lacs 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 Mall, 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.

**21 Long term provisions**

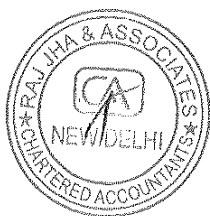
	<i>(Amount in Rupees lacs)</i>		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for gratuity	26.92	23.35	21.92
Provision for leave encashment	9.93	10.75	8.88
	<b>36.85</b>	<b>34.10</b>	<b>30.80</b>

**22 Current borrowings**

	<i>(Amount in Rupees lacs)</i>		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Unsecured Loans from Related Parties</b>			
Directors	42.40	42.40	42.40
Inter Corporate Deposit (Bearing Interest)	763.00	763.00	763.00
Inter Corporate Deposit (Interest Free)	1,685.24	449.69	640.89
<b>Unsecured Loans from Other Parties</b>			
Other Inter Corporate Deposit (Interest Free)	4,797.70	4,866.80	6,748.50
	<b>7,288.34</b>	<b>6,121.89</b>	<b>8,194.79</b>

**23 Trade payables**

	<i>(Amount in Rupees lacs)</i>		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade Payable for Services	110.56	118.37	175.11
Trade Payable Project	1,382.90	1,441.11	1,598.31
	<b>1,493.46</b>	<b>1,559.48</b>	<b>1,773.42</b>



## 24 Other current financial liability

	<i>(Amount in Rupees lacs)</i>		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current maturities of Loans from Financial Institution	379.67	336.94	401.02
Interest accrued and due	14.39	14.39	-
Book Overdebts	928.31	28.64	69.39
Security Deposits from Customers	1,022.00	1,021.12	1,022.31
Security Deposits - Others	7,000.00	7,000.00	7,000.00
Due to Joint Ventures	6,413.13	6,182.18	7,706.27
Trade Payable for Capital Goods	136.09	136.09	136.09
	<b>15,893.59</b>	<b>14,719.36</b>	<b>16,335.08</b>

## 25 Other current liability

	<i>(Amount in Rupees lacs)</i>		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Booking Advances from Customers	3,849.80	5,665.19	5,466.77
Other Payable	5,318.37	4,402.39	4,961.39
Advances for CAM & Electricity - Vilas	4.03	1.68	203.88
Advance from tenants	-	-	3.39
Duties & Taxes			
TDS	75.11	36.51	33.44
Service Tax/GST	136.33	16.94	49.63
WCT	-	254.32	-
Provident Fund/ESI	3.12	1.10	0.93
	<b>9,386.76</b>	<b>10,378.13</b>	<b>10,719.43</b>

## 26 Current provisions

	<i>(Amount in Rupees lacs)</i>		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for gratuity	4.74	4.11	4.45
Provision for leave encashment	1.77	2.26	2.12
	<b>6.51</b>	<b>6.37</b>	<b>6.57</b>

## 27 Current tax liabilities (net)

	<i>(Amount in Rupees lacs)</i>		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for tax (net of advance tax as at March 31, 2018 INR 423.62 lacs (March 31, 2017: INR 423.62 lacs, April 1, 2016: INR 580.49 lacs))	605.38	605.38	611.27
Total Short Term Provision	<b>605.38</b>	<b>605.38</b>	<b>611.27</b>



## 28 Revenue from operations

	<i>(Amount in Rupees lacs)</i>	
	As at March 31, 2018	As at March 31, 2017
a) Sales	1,769.24	520.59
b) Rent	1,344.72	1,283.74
c) Other Operating Revenue:-		
Electricity & Water Receipts	108.08	177.47
Maintenance Income	44.98	286.83
Transfer Charges	55.71	56.80
	<b>3,322.73</b>	<b>2,325.43</b>

## 29 Other income

	<i>(Amount in Rupees lacs)</i>	
	As at March 31, 2018	As at March 31, 2017
Interest Income	48.45	177.30
Profit on Sale of Investments	242.39	42.56
Reversal of expected credit loss	979.39	0.00
Dividend Income	1.56	37.78
Finance Income	7.08	3.91
Income on restatement of mutual fund	130.39	-
Miscellaneous Income	1.99	31.82
	<b>1,411.25</b>	<b>293.37</b>

## 30 Cost of Materials Consumed

	<i>(Amount in Rupees lacs)</i>	
	As at March 31, 2018	As at March 31, 2017
Cost of Material Consumed	1,828.34	(958.73)
Total Cost of material Consumed	<b>1,828.34</b>	<b>(958.73)</b>

## 31 Purchase of Stock-in-Trade

	<i>(Amount in Rupees lacs)</i>	
	As at March 31, 2018	As at March 31, 2017
Purchase of Stock-in-Trade	157.28	-
	<b>157.28</b>	<b>-</b>

## 32 (Increase) / Decrease in Inventories

	<i>(Amount in Rupees lacs)</i>	
	As at March 31, 2018	As at March 31, 2017
Closing stock		
- Finished goods	8,390.00	6,501.15
	<b>8,390.00</b>	<b>6,501.15</b>
Opening stock		
- Finished goods	6,501.15	6,501.15
	<b>6,501.15</b>	<b>6,501.15</b>
	<b>(1,888.85)</b>	<b>-</b>



## 33 Employee benefit expenses

	<i>(Amount in Rupees lacs)</i>	
	As at March 31, 2018	As at March 31, 2017
Salary & Other Allowances	314.60	192.95
Contribution to PF	19.33	12.07
Staff Welfare Expenses	9.93	6.39
	<b>343.86</b>	<b>211.41</b>

## 34 Finance cost

	<i>(Amount in Rupees lacs)</i>	
	As at March 31, 2018	As at March 31, 2017
Interest Charges on Term Loans	476.70	525.13
Interest Charges on ICD	64.85	64.85
Finance cost	13.71	9.53
	<b>555.26</b>	<b>599.51</b>

## 35 Depreciation &amp; Amortisation

	<i>(Amount in Rupees lacs)</i>	
	As at March 31, 2018	As at March 31, 2017
Depreciation	17.77	49.93
Amortisation	0.67	2.61
	<b>18.44</b>	<b>52.54</b>

## 36 Other expenses

	<i>(Amount in Rupees lacs)</i>	
	As at March 31, 2018	As at March 31, 2017
Power & Fuel	195.19	219.29
Rent	382.36	382.73
Repair & Maintenance Building	20.23	54.59
Repair & Maintenance Plant & Machinery	17.48	21.04
Bank Charges	6.66	3.24
Insurance Charges	2.56	1.82
Rates & Taxes	130.13	106.83
Compensation, Rebate & Discount	50.34	358.49
Legal & Professional Charges (refer note below)	852.41	412.84
Facility Management Services	-	36.34
Security Expenses	24.65	123.10
Tours and Travelling	138.27	100.23
Provision for doubtful debts	-	985.78
Loss on restatement of mutual fund	-	0.05
Loss on Sale of Investments	-	3.72
Loss on Sale of Fixed Assets	7.52	-
Miscellaneous Expenses	241.29	326.55
	<b>2,069.09</b>	<b>3,136.64</b>

## Remuneration to auditors ( excluding goods and service tax)

	<i>(Amount in Rupees lacs)</i>	
	As at March 31, 2018	As at March 31, 2017
Statutory audit	8.00	8.00
Tax audit	1.50	1.50
Total	<b>9.50</b>	<b>9.50</b>



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

	(Amount in Rupees lacs)	
	March 31, 2018	March 31, 2017
Basic earning per share (a)/(b)	2.98	(0.43)
Diluted earning per share (a)/(b)	2.98	(0.43)
Nominal value per share	10.00	10.00
Profit attributable to equity shareholders		
From continuing operations (a)	1,778.71	(254.65)
	<u>1,778.71</u>	<u>(254.65)</u>
Weighted average number of shares	No of shares	No of shares
Weighted average number of equity shares for the year (b)	59,765,070	59,765,070

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

## 38 Contingent liabilities, contingent assets and commitments

## A. Commitments:

	March 31, 2018	March 31, 2017	April 1, 2016
Capital commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for - to related party [Net of advances of INR 2,356.36 lacs (March 31, 2017: INR 2,356.36 lacs; April 1, 2016: INR 2,356.36)]	5,886.28	5,886.28	6,249.92
Total capital commitments	<u>5,886.28</u>	<u>5,886.28</u>	<u>6,249.92</u>

## B. Contingent liabilities:

	March 31, 2018	March 31, 2017	April 1, 2016
a. Securities/ Performance guarantee provided to various government authorities/others	459.20	468.88	468.88
b. Claims against the Company not acknowledged as debts (refer note i)	522.52	539.63	491.70

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

Particulars	Section	Year pertaining	March 31, 2018	March 31, 2017	April 1, 2016
Service Tax and CENVAT		2004-10	-	82.83	82.83
Income tax	143(1)	2003-04	-	-	1.43
Income tax	148	2004-05	49.24	49.24	-
Income tax	143(3)	2009-10	47.74	55.91	55.91
Income tax	220(2)	2009-10	6.60	6.60	6.60
Income tax	220(2)	2009-10	3.34	-	-
Income tax	153A	2010- 11	6.06	-	-
Income tax	220(2)	2010- 11	14.80	-	-
Income tax	143(3)	2010- 11	-	20.56	20.56
Income tax	271(1)(c)	2010- 11	-	-	7.13
Income tax	143(1)(a)	2011- 12	389.28	390.15	400.09
Income tax	143(1)(a)	2012-13	0.87	1.43	1.43
Income tax	143(3)	2012-13	-	0.32	-
Income tax	143(3)	2013-14	-	0.83	-
Income tax	153A	2014-15	2.41	-	-
Income tax	143(3)	2014-15	-	2.65	-
Income tax	143(3)	2015-16	2.18	11.95	-
Total			<u>522.52</u>	<u>539.64</u>	<u>491.72</u>

## Amount above includes:

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

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

## C. Contingent assets:

The Company does not have any contingent assets as at March 31, 2018, March 31, 2017 and April 1, 2016





39 Employee benefits

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

(i) Defined Contribution Plans:

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

	Year ended March 31, 2018	Year ended March 31, 2017
Contribution to provident fund	19.33	12.07

(ii) Defined Benefit Plan:

Gratuity

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

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

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

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

	March 31, 2018	March 31, 2017	April 1, 2016
Net defined benefit liability (Assets)/Liability for Gratuity	31.66	27.46	26.37
<b>Total employee benefit liabilities</b>	<b>31.66</b>	<b>27.46</b>	<b>26.37</b>
Non-current			
Current	26.92	23.35	21.92
	4.74	4.11	4.45

B. Reconciliation of the net defined benefit liability

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

	March 31, 2018			March 31, 2017		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	27.46	-	27.46	26.37	-	26.37
Included in profit or loss						
Current service cost	5.23	-	5.23	1.94	-	1.94
Interest cost (income)	2.02	-	2.02	3.27	-	3.27
	7.25	-	7.25	5.21	-	5.21
Included in OCI						
Remeasurements loss (gain)						
- Total actuarial loss/(gain) on obligation	3.94	-	3.94	2.71	-	2.71
	3.94	-	3.94	2.71	-	2.71
Other						
Benefits paid	(6.99)	-	(6.99)	(6.83)	-	(6.83)
	(6.99)	-	(6.99)	(6.83)	-	(6.83)
Balance at the end of the year	31.66	-	31.66	27.46	-	27.46

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

	Year ended March 31, 2018	Year ended March 31, 2017
Current service cost	5.23	1.94
Interest cost	2.02	3.27
	7.25	5.21

D. Plan assets

Plan assets comprises of the following:

Funds Managed by Insurer

March 31, 2018	March 31, 2017	April 1, 2016

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

D. Actuarial assumptions

a. Economic assumptions



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

	March 31, 2018	March 31, 2017	April 1, 2016
Discount rate	7.73%	7.37%	7.89%
Expected rate of future salary increase	6.00%	6.00%	6.00%

The discount rate has been assumed at 7.73% (March 31, 2017: 7.37%, April 01, 2016: 7.89%) which is determined by reference to market yield at the balance sheet date on government securities. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b. Demographic assumptions

	March 31, 2018	March 31, 2017	April 1, 2016
i) Retirement age (years)	59.00	59.00	59.00
ii) Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)		
iii) Ages	Withdrawal Rate (%)	Withdrawal Rate (%)	Withdrawal Rate (%)
Upto 30 years	7	7	7
From 31 to 44 years	2	2	2
Above 44 years	2	2	2

E. Sensitivity analysis

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

	March 31, 2018		March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(1.31)	1.41	(1.38)	1.02
Future salary growth (0.50% movement)	1.43	(1.34)	1.03	(1.40)

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

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

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

Description of Risk Exposures:

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

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

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

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

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

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

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

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Duration of defined benefit obligation			
Less than 1 year	4.74	4.11	4.45
Between 1-2 years	0.60	0.58	0.54
Between 2-5 years	1.83	1.70	1.60
Over 5 years	24.49	21.06	19.78
Total	31.66	27.45	26.37

Expected contributions to post-employment benefit plans for the year ending March 31, 2018 are INR 8.44 lacs.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 13.17 years (March 31, 2017: 13.15 years).



## (ii) Other long-term employee benefits:

The company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. During the year ended March 31, 2018, the Company has incurred an expense on compensated absences amounting to INR 9.45 lacs (previous year INR 5.90 lacs). The Company determines the expense for compensated absences basis the actuarial valuation of plan assets and the present value of the obligation, using the Projected Unit Credit Method.

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

	March 31, 2018	March 31, 2017	April 1, 2016
Net defined benefit liability			
Liability for earned leave	11.71	13.01	10.99
Total employee benefit liabilities	11.71	13.01	10.99
Non-current	9.94	10.75	8.87
Current	1.77	2.26	2.12

## B. Reconciliation of the net defined benefit liability

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

	March 31, 2018			March 31, 2017		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	13.00	-	13.00	10.99	-	10.99
Included in profit or loss						
Current service cost	4.31	-	4.31	2.12	-	2.12
Interest cost (income)	0.96	-	0.96	0.81	-	0.81
- Total actuarial loss/(gain) on obligation	4.19	-	4.19	2.97	-	2.97
	9.46	-	9.46	5.90	-	2.93
Other						
Benefits paid	(10.75)	-	(10.75)	(3.89)	-	(3.89)
	(10.75)	-	(10.75)	(3.89)	-	(3.89)
Balance at the end of the year	11.71	-	11.71	13.00	-	10.03

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

	Year ended March 31, 2018	Year ended March 31, 2017
Current service cost	4.31	2.12
Interest cost	0.96	0.81
Actuarial loss (gain)	4.19	2.97
	9.46	5.90

## D. Actuarial assumptions

## a. Economic assumptions

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

	March 31, 2018	March 31, 2017	March 31, 2017
Discount rate	7.73%	7.37%	7.89%
Expected rate of future salary increase	6.00%	6.00%	6.00%

The discount rate has been assumed at 7.73% (March 31, 2017: 7.37%, April 01, 2016: 7.89%) which is determined by reference to market yield at the balance sheet date on government securities. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## b. Demographic assumptions

## i) Retirement age (years)

## ii) Mortality rates inclusive of provision for disability

## iii) Ages

Upto 30 years

From 31 to 44 years

Above 44 years

	March 31, 2018	March 31, 2017	April 1, 2016
	59	59	59
	100% of IALM (2006 - 08)		
Withdrawal Rate (%)	7	7	7
	2	2	2
	2	2	2



**E. Sensitivity analysis**

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

	March 31, 2018		March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(0.54)	0.59	(0.54)	0.61
Future salary growth (0.50% movement)	0.60	(0.55)	0.61	(0.55)

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

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

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

**Description of Risk Exposures:**

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

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

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

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

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

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

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

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Duration of defined benefit obligation			
Less than 1 year	1.77	2.26	2.12
Between 1-2 years	0.25	0.27	0.22
Between 2-5 years	0.72	0.80	0.65
Over 5 years	8.96	9.68	8.00
<b>Total</b>	<b>11.70</b>	<b>13.01</b>	<b>10.99</b>

Expected contributions to post-employment benefit plans for the year ending 31 March 2018 are INR 4.77 lacs.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 13.17 years (March 31, 2017: 13.15 years).

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

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

**Operating Segments**

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

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

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

**Information about geographical areas**

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



## Information about major customers (from external customers)

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

Customer	March 31, 2018	March 31, 2017
Pradeep Jain	340.00	-
Nirmal Singh & Prem Kaur	346.82	-
Shoppers Stop Ltd	659.71	618.49
Vikram Chaudhary	-	235.91
Manorama Dewan	-	288.42
Anil Jain	-	376.84
Bimlesh Wadhwa	-	239.47
Future Retail Ltd	-	319.39

## 41 Leases

## Operating leases

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

	(Amount in ₹)		
	March 31, 2018	March 31, 2017	April 1, 2016
(i) Future minimum lease payments			
Not later than one year	109.29	104.08	528.44
Later than one year but not later than five year	94.84	204.12	204.12
Later than five year	-	-	-
Total	<u>204.13</u>	<u>308.20</u>	<u>732.56</u>

## (ii) Amounts recognised in profit and loss account

Lease expense- minimum lease payments

	Year ended March 31, 2018	Year ended March 31, 2017
Lease expense- minimum lease payments	382.36	382.73

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

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting period included in			
Principal amount due to micro and small enterprises	-	-	-
Interest due on above	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

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

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

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

	-	-	-
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The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.

	-	-	-
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## 43 Deferred tax

## A. Amounts recognised in profit or loss

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current tax		
Current year	110.54	109.13
Minimum Alternate Tax	(86.35)	0.00
	<u>24.19</u>	<u>109.13</u>
Deferred tax		
Change in recognised temporary differences	(152.34)	(277.05)
	<u>(152.34)</u>	<u>(277.05)</u>
Total tax expense	<u>(128.15)</u>	<u>(167.92)</u>

## B. Amounts recognised in other comprehensive income

	For the year ended March 31, 2018			For the year ended March 31, 2017		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Remeasurements of defined benefit liability	(3.94)	1.30	(2.64)	(2.71)	0.90	(1.81)
	<u>(3.94)</u>	<u>1.30</u>	<u>(2.64)</u>	<u>(2.71)</u>	<u>0.90</u>	<u>(1.81)</u>

## C. Reconciliation of effective tax rate

	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Rate	Amount	Rate	Amount
Profit before tax		1,651		(423)
Tax using the Company's domestic tax rate	33.06%	546	33.06%	(140)
Tax effect of:				
On account of IND As adjustments		-		283.43
On account of timing difference		(692.78)		30.61
On account of permanent difference		5.63		2.50
On account of remeasurement of financial liabilities/ assets		(41.48)		(2.08)
On account of provision for expected credit loss		-		(325.93)
On account of special rate of income tax		(7.18)		-
On account of exempt income		(0.52)		(12.49)
On account of brought forward losses		62.45		(4.22)
	<u>33.06%</u>	<u>(128)</u>	<u>33.06%</u>	<u>(168)</u>

## D. Movement in temporary differences

	As at 31 March 2017	Recognized in P&L	Recognized in OCI	As at 31 March 2018
	Deferred tax assets			
Property, plant and equipment	559.71	538.30	-	1,098.02
Provisions for employee benefits	13.38	(0.34)	(1.30)	14.34
Trade receivables	843.37	(323.82)	-	519.56
Other non current financials assets- security deposits	4.39	(2.19)	-	2.20
Other current financials assets- advance to employees	0.22	(0.22)	-	-
Brought forward losses	556.35	(62.45)	-	493.90
Sub- Total (a)	<u>1,977.42</u>	<u>149.28</u>	<u>(1.30)</u>	<u>2,128.02</u>
Deferred tax liabilities				
Other non current assets- financial guarantee receivable	13.65	(1.14)	-	12.52
Other current financials assets- advance to employees	-	1.48	-	1.48
Processing charges	8.54	(1.17)	-	7.37
Financial guarantee receivable	4.31	(2.23)	-	2.07
Sub- Total (b)	<u>26.50</u>	<u>(3.06)</u>	<u>-</u>	<u>23.44</u>
Net deferred tax assets (a)-(b)	<u>1,951</u>	<u>152</u>	<u>(1)</u>	<u>2,105</u>



	As at 31 March 2016	Recognized in P&L	Recognized in OCI	As at 31 March 2017
<b>Deferred tax assets</b>				
Property, plant and equipment	615.02	(55.30)	-	559.71
Provisions for employee benefits	12.35	0.13	(0.90)	13.38
Trade receivables	517.45	325.93	-	843.37
Other non current financial assets- security deposits	-	4.39	-	4.39
Other current financial assets- advance to employees	-	0.22	-	0.22
Brought forward losses	552.13	4.22	-	556.35
<b>Sub- Total (a)</b>	<b>1,696.95</b>	<b>279.59</b>	<b>(0.90)</b>	<b>1,977.42</b>
<b>Deferred tax liabilities</b>				
Other non current assets- financial guarantee receivable	15.52	(1.86)	-	13.65
Processing charges	8.45	0.09	-	8.54
Financial guarantee receivable	-	4.31	-	4.31
<b>Sub- Total (b)</b>	<b>23.97</b>	<b>2.54</b>	<b>-</b>	<b>26.50</b>
<b>Net deferred tax assets (a)-(b)</b>	<b>1,672.98</b>	<b>277.05</b>	<b>(0.90)</b>	<b>1,950.92</b>

E. Income tax recognised directly in equity

	March 31, 2018			March 31, 2017		
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
Deemed capital contribution	-	-	-	-	-	-

F. Tax losses carried forward

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

	March 31, 2018	Expiry date	March 31, 2017	Expiry date
Expire	1,481.06	2023-24	1,669.94	2023-24
Never expire	12.75	2025-26	12.75	2025-26

44 Corporate Social Responsibility

The board of directors approved CSR Policy of the Company at its meeting held on November 7, 2014. In accordance with the provisions of Section 135 of the Companies Act, 2013, the Company was required to spend INR 45.00 lacs (March 31, 2017: INR 45.00 lacs; April 1, 2016: INR 30.16 lacs) on prescribed CSR activities. The Company is yet to undertake CSR activities and in accordance with the guidance provided by the Institute of Chartered Accountants of India, no provision has been recorded in the books of account towards such unspent expenditure.

45 Related Party Disclosure

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

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

a) Holding Company	:	Discovery Estates Pvt. Ltd.
b) Subsidiary Company	:	Crimson Holdings Private Limited
	:	Kayo Developers Private Limited
	:	Samisthi Real Estate Private Limited
	:	MGFD Ventures Private Limited
c) Associate Company	:	Discovery Holdings Private Limited
	:	MGF Estates Management Private Limited
	:	MGF Promotions & Events Private Limited
	:	SSP Aviation Limited
	:	VMR Promoters Private Limited
d) Joint Venture	:	Ansal Properties & Infrastructure Limited
	:	North Delhi Metro Mall Private Limited
e) Enterprises in which key management personnel and their relatives are able to exercise significant influence.	:	MGF Projects Private Limited
	:	MGF Housing And Infrastructure Private Limited
	:	Metroplex Construction Private Limited
	:	MGF Promoters Private Limited
	:	MGF Infotech Private Limited
	:	Emaar MGF Land Limited
	:	Aryan Life Style Private Limited
	:	Emaar MGF Education Private Limited
	:	Radiant Promoters Private Limited
	:	Yashvasi Buildtech Private Limited
	:	MGF Promotions And Events Private Limited
	:	MGF Estates Management Private Limited
	:	Divine Build Tech Private Limited
	:	Pushpak Promoters Private Limited
	:	Shailvi Estates Private Limited
	:	Bewilder Builders Private Limited
	:	MGF Market Place Mall Management Private Limited
	:	Janata Cinemas Properties And Finance Limited
	:	Upper India Hire Purchase Companies Association Limited
	:	Hyline Mediconz Private Limited



:	MGF Auto Sales Private Limited
:	Discovery Holdings Private Limited
:	Grosvenor Estates Private Limited
:	MGF Securities Private Limited
:	Cards Services India Private Limited
:	Gee Gee Holdings Private Limited
:	Nap Sales Private Limited
:	MGF Services Limited
:	India Lease Development Limited
:	Bahubali Services Limited
:	Technofab Engineering Limited
:	The Motor And General Finance Limited
:	Ram Prakash And Co Pvt Ltd
:	Vishnu Apartments Pvt. Ltd.
:	Jayabharat Credit Limited
:	Loam Realtors Private Limited
:	Cameo Realtors Private Limited
:	Alcove Realtors Private Limited
:	Spike Conbuild Private Limited
:	Shanti Apparels Manufacturing Co Private Limited
:	Speckle Realtors Private Limited
:	Namokar Finvest Pvt. Ltd.
:	Tabco Real Estate Private Limited
:	SSP Buildcon Private Limited
:	Meteor Propbuild Private Limited
:	Raisin Estate Private Limited
:	RJ Propbuild Private Limited
:	Samishti Real Estate Private Limited
:	Salar Promoters Private Limited
:	Amplify Developers Private Limited
:	Bounty Builders & Developers Private Limited
:	Buildout Real Estate Developers Private Limited
:	Companion Builders Private Limited
:	Companion Estates Private Limited
:	Dedicated Buildcon Private Limited
:	Dexterous Buildcon Private Limited
:	Ethan Traders Private Limited
:	GN Hills Development Private Limited
:	Golf Course Road Development Private Limited
:	Kingpin Realtors Private Limited
:	Liberate Builders & Developers Private Limited
:	Meadows Development Private Limited
:	Mohali Residency Development Private Limited
:	Optimum Builders Private Limited
:	Practical Developers Private Limited
:	Practical Estates Private Limited
:	Practical Homes Private Limited
:	Profusion Real Estate Private Limited
:	Prosperous Builders & Developers Private Limited
:	Sector 76 Development Private Limited
:	Sedate Realtors Private Limited
:	Sprout Tradecom Private Limited
:	Virtuous Builders Private Limited
:	Welfare Real Estate Developers Private Limited
:	Windfall Builders & Developers Private Limited
:	Zane Devcon Private Limited
:	Dua Buildtech Private Limited
:	Yog Buildtech Private Limited
:	Zoey Traders Private Limited
:	Abaya Apparels Pvt.Ltd.
:	Aparna Buildcon Pvt.Ltd.
:	Aryan Life Style Pvt. Ltd.
:	Blossom Conbuild Pvt.Ltd.
:	Chirayu Propbuild Pvt.Ltd.
:	Elation Real Estate Pvt.Ltd.
:	Ethan Traders Pvt.Ltd.
:	Extol Buildcon Pvt.Ltd.
:	Initia Solutions Pvt.Ltd.
:	Gutsy Builders Pvt.Ltd.
:	Pavni Developers Private Limited
:	Investment in Partnership - MGF Mall Management
:	Investment in Partnership (MGF Event Management)
:	Logistic Buildtech Pvt Ltd
:	Vairagi Projects Private Limited

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





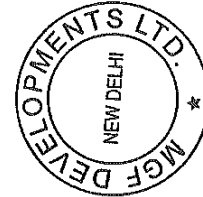
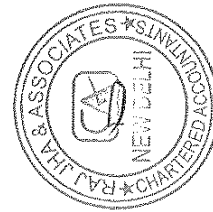
	:	Manbhav Projects Pvt.Ltd.
	:	MGF Automobiles Ltd. (Sale of Shares)
	:	MGF Housing & Infrastruc P Ltd
	:	Sahayog Buildtech Private Limited
	:	MGF Infotech Pvt Ltd
	:	Sojanya Promoters Private Limited
	:	MGF Promoters Pvt Ltd
	:	Motive Constructions Private Limited
	:	Salar Promoters Pvt.Ltd.
	:	Soumya Promoters Pvt.Ltd.
	:	SSP Developers Pvt. Ltd.
	:	The Vilas Conominium Association
	:	MGF Vehicle Sales Private Limited
	:	Sareen Estates Private Limited
	:	Yashoda Promoters Pvt.Ltd.
	:	Dexterity Buildtech Private Limited
	:	Nanny Infrastructure Private Limited
	:	Columbia Holdings Private Limited
	:	Gyandarshni Exim Private Limited
	:	Moonlight Continental Private Limited
	:	Gadokhar Real Estate Private Limited
	:	Karishma Buildtech Private Limited
	:	Power Buildtech Private Limited
	:	Bardeb Buildtech Private Limited
	:	Valente Real Estate Private Limited
	:	Zack Estates Pvt.Ltd.
g) Key Management Personnel	:	
Director	:	Rakshit Jain
Director	:	Arun Mitter
Director	:	Shravan Gupta
Director	:	Shilpa Gupta
Director	:	Pragati Sachdeva
Director	:	Khushboo Goel
Chief Financial Officer (CFO)	:	Vijay Kumar Sharma
Company Secretary	:	Nupur Jain
Relative of KMP	:	Siddharth Gupta
Relative of KMP	:	Rahul Upadhyay
Relative of KMP	:	Sudhir Sareen
Relatives of KMP	:	Siddharth Gupta



MGF DEVELOPMENTS LIMITED  
Notes to the financial statements for the year ended March 31, 2018

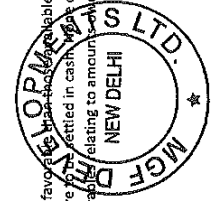
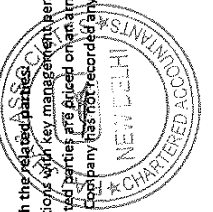
(b) Details of related party transactions are as below:

Particulars	Holding Company			Subsidiary Company			Associate Company			Joint Venture		
	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
Share application money received	-	894.68	-	-	-	-	-	-	-	-	-	-
Security premium received	-	3,220.83	-	-	-	-	-	-	-	-	-	-
Electricity & CAM Charges Received	-	-	-	-	-	-	-	-	-	-	-	-
Amount received on behalf of Joint Venture	-	-	-	-	-	-	-	-	-	395.39	180.54	-
Purchase of services	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense on Inter corporate deposit	496.27	-	-	-	-	-	8.00	-	-	-	-	-
Inter corporate deposit taken	37.67	-	-	-	-	-	-	90.00	-	-	-	-
Inter corporate deposit repaid	-	-	-	1.00	-	-	-	14.23	-	-	1,027.85	-
Investment made	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of sale	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of expenses for the expenses done on behalf of related party	-	-	-	-	-	-	-	-	-	-	-	-
Security deposit paid	-	-	-	-	-	-	-	-	-	-	-	-
Inter corporate deposit given	-	355.97	-	-	-	-	7.15	11.50	-	61.18	8.82	-
Inter corporate deposit received back	-	1,230.32	-	7.30	256.38	-	0.92	28.00	-	-	3,670.88	-
Advance given to staff	-	-	-	-	-	-	-	-	-	-	-	-
Electricity charges paid	492.32	19.80	-	-	-	-	-	-	-	-	-	-
Sale made	-	-	-	-	-	-	-	-	-	-	-	-
Professional charges	-	-	-	-	-	-	-	-	-	-	-	-
<b>Outstanding balance</b>	<b>45.50</b>	<b>45.50</b>	<b>45.50</b>	-	-	-	-	-	-	-	-	-
OCL-Booking Advances from Customers	-	-	-	-	-	-	300.00	300.00	300.00	-	-	-
OCL-Other Payable	-	-	-	-	-	-	-	-	-	-	-	-
OCL-Advances for Electricity & CAM - Vilas	-	-	-	-	-	-	-	-	-	-	-	-
OCL-Due to Joint Ventures	-	-	-	-	-	-	-	-	-	431.15	381.19	250.18
OCL-Trade Payable for Services	-	-	-	-	-	-	-	-	-	-	-	-
Current borrowings_Directors	-	-	-	-	-	-	-	-	-	-	-	-
Current borrowings_Inter Corporate Deposit bearing Interest	-	-	-	-	-	-	-	-	-	-	-	-
Current borrowings_Interst payable on Inter Corporate Deposit	-	-	-	-	-	-	142.69	134.69	224.69	-	-	-
(Interest free)	458.60	-	-	-	-	-	-	-	-	-	-	-
Security deposit receivable	-	-	-	-	-	-	-	-	-	-	-	-
Imprest balance	-	-	-	-	-	-	-	-	-	-	-	-
Inter corporate deposit receivable	-	874.35	874.35	3,126.03	3,118.73	2,862.35	537.96	531.73	548.23	70.00	8.82	3,670.88
Other receivables	-	-	-	-	-	-	6.90	-	-	-	-	-
Booking Advance	-	-	-	-	-	-	2,630.00	2,630.00	2,630.00	-	-	-
Staff Advance	-	-	-	-	-	-	-	-	-	-	-	-
Business Advances	-	-	-	-	-	-	-	-	-	-	-	-
Trade Receivable	85.36	366.07	968.42	-	-	-	-	-	-	-	-	-



MGF DEVELOPMENTS LIMITED  
Notes to the financial statements for the year ended March 31, 2018

Particulars	Enterprises in which director having significant influence			Enterprises where holding/subsidiary having significant influence			Key Management Personnel		
	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
Share application money received	-	-	-	-	1,792.95	-	-	1.80	-
Security premium received	-	-	-	-	6,454.63	-	-	6.48	-
Electricity & CAM Charges Received	-	-	-	-	1.67	-	-	-	-
Amount received on behalf of Joint Venture	29.46	30.00	-	202.73	170.86	-	-	-	-
Purchase of services	67.72	95.46	-	0.35	0.30	-	-	-	-
Interest expense on intercorporate deposit	64.85	64.85	-	-	-	-	-	-	-
Inter corporate deposit taken	727.95	-	-	-	-	216.20	-	-	-
Inter corporate deposit repaid	-	-	-	-	-	-	-	-	-
Investment made	-	-	-	463.65	220.71	-	-	-	-
Reversal of sale	-	-	-	0.15	1.11	-	125.44	-	-
Reimbursement of expenses for the expenses done on behalf of related party	-	-	-	-	-	-	-	-	-
Security deposit paid	-	33.00	-	-	-	-	-	-	-
Inter corporate deposit given	640.80	3,757.59	-	750.18	7,797.81	-	-	-	-
Inter corporate deposit received back	223.08	2,189.16	-	609.18	6,956.76	-	-	-	-
Advance given to staff	-	-	-	-	-	-	3.32	-	-
Electricity charges paid	-	-	-	462.75	43.80	-	-	-	-
Sale made	-	-	-	4.77	-	-	-	-	-
Professional charges	-	-	-	-	-	-	-	-	-
<b>Outstanding balance</b>									
OCL-Booking Advances from Customers	-	-	-	247.50	247.50	247.50	-	-	-
OCL-Other Payable	-	-	-	1,392.75	-	705.69	72.04	46.94	-
OCL-Advances for Electricity & CAM - Vilas	-	-	-	0.62	-	1.67	-	-	-
OCL-Due to Joint Ventures	891.47	909.78	879.78	820.76	621.46	5,434.18	-	-	-
OCL-Trade Payable for Services	50.97	28.98	-	1.25	0.89	0.59	-	-	-
Current borrowings_Directors	-	-	-	-	-	-	42.40	42.40	-
Current borrowings_Inter Corporate Deposit bearing interest	763.00	763.00	763.00	-	-	-	-	-	-
Current borrowings_Interest payable on Inter Corporate Deposit	14.39	14.39	-	-	-	-	-	-	-
Current borrowings_Inter Corporate Deposit (Interest free)	1,068.95	300.00	185.00	15.00	15.00	231.20	-	-	-
Security deposit receivable	2,389.36	2,389.36	2,356.36	-	-	-	-	-	-
Imprest balance	-	-	-	-	-	-	4.95	10.10	10.10
Inter corporate deposit receivable	4,784.55	4,896.33	4,062.90	13,075.46	12,934.46	12,136.60	-	-	-
Other receivables	887.54	618.89	1,060.66	539.72	7,527.78	2,884.74	134.71	134.71	-
Booking Advance	-	-	-	-	-	-	-	-	-
Staff Advance	-	-	15.04	-	-	-	3.32	-	-
Business Advances	-	-	-	-	-	2.49	-	-	-
Trade Receivable	-	-	-	144.41	222.57	247.69	-	-	-



Terms and conditions of transactions with the related parties:  
i. The terms and conditions of the transactions with key management personnel were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel.  
ii. All outstanding balances with these related parties are priced on an arm's length basis and are settled in cash.  
iii. For the year ended March 31, 2018 the Company has not recorded any impairment of receivables relating to amount owed by related party (March 31, 2017: Rs. Nil; April 1, 2016: Rs. Nil). This assessment is undertaken each

46. Fair value measurement and financial instruments

a. Financial instruments - by category and fair values hierarchy

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

i. As on 1 April 2016

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Investments	-	-	3,417.48	3,417.48	-	-	-
Other financial assets	-	-	134.53	134.53	-	-	-
<b>Current</b>							
Trade receivables	-	-	2,549.78	2,549.78	-	-	-
Cash and cash equivalents	-	-	564.85	564.85	-	-	-
Bank balances other than Cash and Cash equivalents	-	-	117.39	117.39	-	-	-
Other financial assets	-	-	35,010.52	35,010.52	-	-	-
<b>Total</b>	-	-	41,794.55	41,794.55			
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings	-	-	4,266.60	4,266.60	-	-	-
<b>Current</b>							
Borrowings	-	-	8,194.79	8,194.79	-	-	-
Trade payables	-	-	1,773.42	1,773.42	-	-	-
Other current financial liabilities	-	-	16,335.08	16,335.08	-	-	-
<b>Total</b>	-	-	30,569.89	30,569.89			

ii. As on 31 March 2017

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Investments	-	-	4,357.17	4,357.17	-	-	-
Other financial assets	-	-	215.90	215.90	-	-	-
<b>Current</b>							
Investments	-	-	34.02	34.02	-	-	-
Trade receivables	-	-	952.12	952.12	-	-	-
Cash and cash equivalents	-	-	3,857.31	3,857.31	-	-	-
Bank balances other than Cash and Cash equivalents	-	-	190.18	190.18	-	-	-
Other financial assets	-	-	37,638.71	37,638.71	-	-	-
<b>Total</b>	-	-	47,245.41	47,245.41			
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings	-	-	3,766.35	3,766.35	-	-	-
<b>Current</b>							
Borrowings	-	-	6,121.89	6,121.89	-	-	-
Trade payables	-	-	1,559.48	1,559.48	-	-	-
Other current financial liabilities	-	-	14,719.36	14,719.36	-	-	-
<b>Total</b>	-	-	26,167.08	26,167.08			



iii. As on 31 March 2018

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

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

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

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

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

The fair value for security deposits were calculated based on discounted cash flows using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

#### Valuation processes

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

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

#### b. Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

#### Risk management framework

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

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

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



## b. Financial risk management (continued)

## (i) Credit risk

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

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Investments	6,745.53	4,391.19	3,417.48
Trade receivables	630.28	952.12	2,549.78
Cash and cash equivalents	1,482.73	3,857.31	564.85
Bank balances other than Cash and Cash equivalents	45.42	190.18	117.39
Other financial assets	40,577.82	37,854.61	35,145.05

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

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

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

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

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

Particulars	Gross carrying amount		
	March 31, 2018	March 31, 2017	April 1, 2016
1-90 days past due	43.74	435.29	2,358.14
90-180 days past due	408.96	8.65	0.05
180-270 days past due	10.19	101.02	2.05
270-360 days past due	173.43	0.95	-
more than 360 days past due	1,565.37	2,957.02	1,754.57
	<u>2,201.69</u>	<u>3,502.93</u>	<u>4,114.81</u>

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

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

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

Particulars	Year ended	Year ended
	March 31, 2018	March 31, 2017
Balance at the beginning	2,550.81	1,565.03
Impairment loss recognised / (reversed)	(979.39)	985.78
Amount written off	-	-
Balance at the end	<u>1,571</u>	<u>2,551</u>



## b. Financial risk management (continued)

## (ii) Liquidity risk

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

The Company believes that its liquidity position, including total cash (including bank deposits under lien and excluding interest accrued but not due) of INR 1,482.72 lacs as at 31 March 2018 (31 March 2017: INR 3,857.31 lacs, 1 April 2016: INR 564.85 lacs) and the anticipated future internally generated funds from operations will enable it to meet its future known obligations in the ordinary course of business.

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

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

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

## Exposure to liquidity risk

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

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

As at 31 March 2017	Carrying amount	Contractual cash flows			
		Less than one year	Between one year to five years	More than five years	Total
Non-current borrowing	3,766.35	-	2,444.90	1,321.45	3,766.35
Current borrowing	6,121.89	6,121.89	-	-	6,121.89
Trade payables	1,559.48	1,559.48	-	-	1,559.48
Current maturities of Loans from Financial Institution	336.94	336.94	-	-	336.94
Interest accrued and due	14.39	14.39	-	-	14.39
Book Overdebts	28.64	28.64	-	-	28.64
Security Deposits from Customers	1,021.12	1,021.12	-	-	1,021.12
Security Deposits - Others	7,000.00	7,000.00	-	-	7,000.00
Due to Joint Ventures	6,182.18	6,182.18	-	-	6,182.18
Trade Payable for Capital Goods	136.09	136.09	-	-	136.09
<b>Total</b>	<b>26,167.08</b>	<b>22,400.73</b>	<b>2,444.90</b>	<b>1,321.45</b>	<b>26,167.08</b>

As at 31 March 2016	Carrying amount	Contractual cash flows			
		Less than one year	Between one year to five years	More than five years	Total
Non-current borrowing	4,266.60	-	2,258.67	2,007.92	4,266.59
Current borrowing	8,194.79	8,194.79	-	-	8,194.79
Trade payables	1,773.42	1,773.42	-	-	1,773.42
Current maturities of Loans from Financial Institution	401.02	401.02	-	-	401.02
Book Overdebts	69.39	69.39	-	-	69.39
Security Deposits from Customers	1,022.31	1,022.31	-	-	1,022.31
Security Deposits - Others	7,000.00	7,000.00	-	-	7,000.00
Due to Joint Ventures	7,706.27	7,706.27	-	-	7,706.27
Trade Payable for Capital Goods	136.09	136.09	-	-	136.09
<b>Total</b>	<b>30,569.89</b>	<b>26,303.29</b>	<b>2,258.67</b>	<b>2,007.92</b>	<b>30,569.88</b>



**B. Financial risk management**

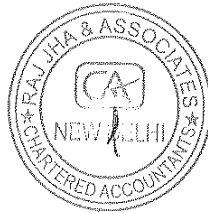
**iii. Market risk**

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

**Other price risk**

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

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





## B. Financial risk management (continued)

## iii. Market risk

## Interest rate risk

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

## Exposure to interest rate risk

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

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Variable-rate instruments	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Borrowing (Non current)	3,383.72	3,766.35	4,266.60
Current maturities of borrowings	379.67	336.94	401.02
Borrowing (current)	7,288.34	6,121.89	8,194.79
<b>Total</b>	<b>11,051.73</b>	<b>10,225.18</b>	<b>12,862.41</b>

## Cash flow sensitivity analysis for variable-rate instruments

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

Particulars	Profit or (loss)		Equity, net of tax	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest on term loans from banks				
For the year ended 31 March 2018	(20.13)	20.13	(13.48)	13.48
For the year ended 31 March 2017	(21.71)	21.71	(14.53)	14.53

## 47 Capital Management

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

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

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

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
Borrowings	11,051.73	10,225.18	12,862.41
Less : Cash and cash equivalent	(1,482.73)	(3,857.31)	(564.85)
<b>Adjusted net debt (A)</b>	<b>9,569.00</b>	<b>6,367.87</b>	<b>12,297.56</b>
<b>Total equity (B)</b>	<b>31,530.82</b>	<b>29,754.75</b>	<b>17,639.85</b>
<b>Adjusted net debt to adjusted equity ratio (A/B)</b>	<b>30.35%</b>	<b>21.40%</b>	<b>69.71%</b>



**48 First-time Adoption of Ind AS**

The company has prepared its first Financial Statements in accordance with Ind AS for the year ended March 31, 2018. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The effective date for Company's Ind AS Opening Balance Sheet is April 1, 2016 (the date of transition to Ind AS).

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet at April 1, 2016 (the Company's date of transition). According to Ind AS 101, the first Ind AS Financial Statements must use recognition and measurement principles that are based on standards and interpretations that are effective at March 31, 2018, the date of first-time preparation of Financial Statements according to Ind AS. These accounting principles and measurement principles must be applied retrospectively to the date of transition to Ind AS and for all periods presented within the first Ind AS Financial Statements.

Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of April 1, 2016 compared with those presented in the Indian GAAP Balance Sheet as of March 31, 2016, were recognized in equity under retained earnings within the Ind AS Balance Sheet.

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

**A) Exemption and exceptions availed**

In the Ind AS Opening Balance Sheet as at April 1, 2016, the carrying amounts of assets and liabilities from the Indian GAAP as at 31 March 2016 are generally recognized and measured according to Ind AS in effect as on March 31, 2018. For certain individual cases, however, Ind AS 101 provides for optional exemptions and mandatory exceptions to the general principles of retrospective application of Ind AS. The Company has used the following exemptions and exceptions in preparing its Ind AS Opening Balance Sheet:

**A.1 Ind AS optional exemptions****A.1.1 Property, plant and equipment & Intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets. Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

**A.1.2 Investments**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its investments in subsidiaries, joint ventures and associates as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP. Accordingly, the company has elected to measure all of its investments in subsidiary company at their previous GAAP carrying value.

**A.2 Ind AS mandatory exceptions****A.2.1 Estimates**

The Company's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model.

**A.2.2 Classification and measurement of financial assets**

Ind AS 101 requires the company to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Further, the standard permits measurement of financial assets accounted on amortised cost basis on fact and circumstances existing as at the date of transition, if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Measurement of financial assets has been done retrospectively except where the same is impracticable.



## A2.3 Derecognition of financial assets and liabilities

As per Ind AS 101 an entity should apply derecognition requirements in Ind AS 109 prospectively for transaction occurring on or after the date of transition to Ind AS.

## B) Reconciliation of equity as at April 1, 2016 and as at March 31, 2017

(Amount in Rupees lacs)

	Note	April 1, 2016			March 31, 2017		
		Previous GAAP*	Adjustments	Ind ASs	Previous GAAP*	Adjustments	Ind ASs
<b>ASSETS</b>							
<b>(1) Non-current assets</b>							
(a) Property, plant and equipment		144.85	-	144.85	115.79	-	115.79
(b) Other intangible assets		7.00	-	7.00	4.39	-	4.39
(c) Investment in subsidiary		5.01	-	5.01	5.01	-	5.01
(d) Financial assets							
(i) Investment	a	3,418.03	(0.55)	3,417.48	4,357.72	(0.55)	4,357.17
(ii) other financial assets	b	134.53	-	134.53	229.17	(13.27)	215.90
(e) Deferred tax assets (net)		0.00	1,672.98	1,672.98	0.00	1,950.93	1,950.93
(f) Other non-current assets	b,c	0.00	46.93	46.93	(6.75)	54.31	47.56
(g) Non-current (tax) assets	d	391.34	(246.72)	144.62	500.34	(246.72)	253.62
<b>Total non-current assets</b>		<b>4,100.76</b>	<b>1,472.64</b>	<b>5,573.40</b>	<b>5,205.67</b>	<b>1,744.70</b>	<b>6,950.37</b>
<b>(2) Current Assets</b>							
(a) Inventories	e	9,650.15	1,214.98	10,865.13	10,726.50	1,347.14	12,073.64
(b) Financial assets							
(i) Investment	f	-	-	-	34.07	(0.05)	34.02
(ii) Trade receivables	g	4,114.81	(1,565.03)	2,549.78	3,502.93	(2,550.81)	952.12
(iii) Cash and cash equivalents		564.85	-	564.85	3,857.31	-	3,857.31
(iv) Bank balances other than Cash and Cash equivalents		117.39	-	117.39	190.18	-	190.18
(v) Other financial assets	h	35,010.52	-	35,010.52	37,639.38	(0.67)	37,638.71
(c) Other current assets		4,896.74	-	4,896.74	5,249.46	-	5,249.46
<b>Total current assets</b>		<b>54,354.46</b>	<b>(350.05)</b>	<b>54,004.41</b>	<b>61,199.83</b>	<b>(1,204.39)</b>	<b>59,995.44</b>
<b>Total Assets</b>		<b>58,455.22</b>	<b>1,122.59</b>	<b>59,577.81</b>	<b>66,405.50</b>	<b>540.31</b>	<b>66,945.81</b>



(Amount in Rupees lacs)

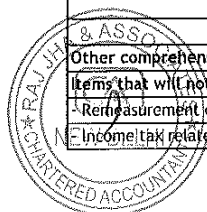
	Note	April 1, 2016			March 31, 2017		
		Previous GAAP*	Adjustments	Ind ASs	Previous GAAP*	Adjustments	Ind ASs
<b>EQUITY &amp; LIABILITIES</b>							
<b>Equity</b>							
(a) Equity Share capital		3,287.08	-	3,287.08	5,976.51	-	5,976.51
(b) Other equity		12,080.70	2,272.07	14,352.77	22,067.85	1,710.39	23,778.24
<b>Total equity</b>		<b>15,367.78</b>	<b>2,272.07</b>	<b>17,639.85</b>	<b>28,044.36</b>	<b>1,710.39</b>	<b>29,754.75</b>
<b>Non-current liabilities</b>							
<b>(a) Financial liabilities</b>							
(i) Borrowings	i	4,292.16	(25.56)	4,266.60	3,792.18	(25.83)	3,766.35
(b) Provisions		30.80	-	30.80	34.10	-	34.10
(c) Deferred tax liability (net)		1,123.92	(1,123.92)	-	1,144.25	(1,144.25)	-
<b>Total non-current liabilities</b>		<b>5,446.88</b>	<b>(1,149.48)</b>	<b>4,297.40</b>	<b>4,970.53</b>	<b>(1,170.08)</b>	<b>3,800.45</b>
<b>(2) Current liabilities</b>							
<b>(a) Financial liabilities</b>							
(i) Borrowings		8,194.79	-	8,194.79	6,121.89	-	6,121.89
(ii) Trade payable		1,773.42	-	1,773.42	1,559.48	-	1,559.48
(iii) Other financial liabilities		16,335.08	-	16,335.08	14,719.36	-	14,719.36
(b) Other current liabilities		10,719.43	-	10,719.43	10,378.13	-	10,378.13
(c) Provisions		6.57	-	6.57	6.37	-	6.37
(d) Current tax liabilities (Net)		611.27	-	611.27	605.38	-	605.38
<b>Total current liabilities</b>		<b>37,640.56</b>	<b>-</b>	<b>37,640.56</b>	<b>33,390.61</b>	<b>-</b>	<b>33,390.61</b>
<b>Total equity and liabilities</b>		<b>58,455.22</b>	<b>1,122.59</b>	<b>59,577.81</b>	<b>66,405.50</b>	<b>540.31</b>	<b>66,945.81</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

## C) Reconciliation of profit for the year ended March 31, 2017

(Amount in Rupees lacs)

	Note	Previous GAAP*	Adjustments	Ind ASs
<b>Income</b>				
Revenue		2,325.43	-	2,325.43
Other income		289.46	3.91	293.37
<b>Total income</b>		<b>2,614.89</b>	<b>3.91</b>	<b>2,618.80</b>
<b>Expenses</b>				
Cost of Materials Consumed		(958.73)	-	(958.73)
Employee benefits expense		213.45	(2.04)	211.41
Finance costs		589.98	9.53	599.51
Depreciation and amortization expenses		184.69	(132.15)	52.54
Other expenses		2,150.81	985.83	3,136.64
<b>Total expenses</b>		<b>2,180.20</b>	<b>861.17</b>	<b>3,041.37</b>
<b>Loss from continuing operations before tax</b>		<b>434.69</b>	<b>(857.26)</b>	<b>(422.57)</b>
Current tax		109.13	-	109.13
Minimum alternate tax		-	-	-
Deferred tax		20.33	(297.38)	(277.05)
<b>Total tax expense</b>		<b>129.46</b>	<b>(297.38)</b>	<b>(167.92)</b>
<b>Loss for the year</b>		<b>305.23</b>	<b>(559.88)</b>	<b>(254.65)</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss (net of tax)</b>				
Re-measurement of post employment benefit obligations		-	(2.71)	(2.71)
Income tax related to above item		-	0.90	0.90



(Amount in Rupees lacs)

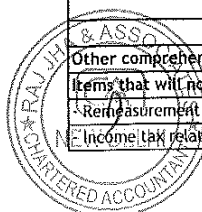
	Note	April 1, 2016			March 31, 2017		
		Previous GAAP*	Adjustments	Ind ASs	Previous GAAP*	Adjustments	Ind ASs
<b>EQUITY &amp; LIABILITIES</b>							
<b>Equity</b>							
(a) Equity Share capital		3,287.08	-	3,287.08	5,976.51	-	5,976.51
(b) Other equity		12,080.70	2,272.07	14,352.77	22,067.85	1,710.39	23,778.24
<b>Total equity</b>		<b>15,367.78</b>	<b>2,272.07</b>	<b>17,639.85</b>	<b>28,044.36</b>	<b>1,710.39</b>	<b>29,754.75</b>
<b>Non-current liabilities</b>							
(a) Financial liabilities							
(i) Borrowings	i	4,292.16	(25.56)	4,266.60	3,792.18	(25.83)	3,766.35
(b) Provisions		30.80	-	30.80	34.10	-	34.10
(c) Deferred tax liability (net)		1,123.92	(1,123.92)	-	1,144.25	(1,144.25)	-
<b>Total non-current liabilities</b>		<b>5,446.88</b>	<b>(1,149.48)</b>	<b>4,297.40</b>	<b>4,970.53</b>	<b>(1,170.08)</b>	<b>3,800.45</b>
<b>(2) Current liabilities</b>							
(a) Financial liabilities							
(i) Borrowings		8,194.79	-	8,194.79	6,121.89	-	6,121.89
(ii) Trade payable		1,773.42	-	1,773.42	1,559.48	-	1,559.48
(iii) Other financial liabilities		16,335.08	-	16,335.08	14,719.36	-	14,719.36
(b) Other current liabilities		10,719.43	-	10,719.43	10,378.13	-	10,378.13
(c) Provisions		6.57	-	6.57	6.37	-	6.37
(d) Current tax liabilities (Net)		611.27	-	611.27	605.38	-	605.38
<b>Total current liabilities</b>		<b>37,640.56</b>	<b>-</b>	<b>37,640.56</b>	<b>33,390.61</b>	<b>-</b>	<b>33,390.61</b>
<b>Total equity and liabilities</b>		<b>58,455.22</b>	<b>1,122.59</b>	<b>59,577.81</b>	<b>66,405.50</b>	<b>540.31</b>	<b>66,945.81</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

## C) Reconciliation of profit for the year ended March 31, 2017

(Amount in Rupees lacs)

	Note	Previous GAAP*	Adjustments	Ind ASs
<b>Income</b>				
Revenue		2,325.43	-	2,325.43
Other income		289.46	3.91	293.37
<b>Total income</b>		<b>2,614.89</b>	<b>3.91</b>	<b>2,618.80</b>
<b>Expenses</b>				
Cost of Materials Consumed		(958.73)	-	(958.73)
Employee benefits expense		213.45	(2.04)	211.41
Finance costs		589.98	9.53	599.51
Depreciation and amortization expenses		184.69	(132.15)	52.54
Other expenses		2,150.81	985.83	3,136.64
<b>Total expenses</b>		<b>2,180.20</b>	<b>861.17</b>	<b>3,041.37</b>
<b>Loss from continuing operations before tax</b>		<b>434.69</b>	<b>(857.26)</b>	<b>(422.57)</b>
Current tax		109.13	-	109.13
Minimum alternate tax		-	-	-
Deferred tax		20.33	(297.38)	(277.05)
<b>Total tax expense</b>		<b>129.46</b>	<b>(297.38)</b>	<b>(167.92)</b>
<b>Loss for the year</b>		<b>305.23</b>	<b>(559.88)</b>	<b>(254.65)</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit or loss (net of tax)				
• Remeasurement of post employment benefit obligations		-	(2.71)	(2.71)
• Income tax related to above item		-	0.90	0.90



Other comprehensive income for the year net of tax		-	(1.81)	(1.81)
Total comprehensive income for the year		305.23	(561.69)	(256.46)

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

(Amount in Rupees lacs)

D) Reconciliation of total equity as at March 31, 2017 and April 1, 2016

	Note	March 31, 2017	April 1, 2016
Total equity (shareholder's funds) as per previous GAAP		28,044.30	15,367.79
<b>Adjustments:</b>			
Opening Ind AS adjustments		2,272.07	-
Investments written off	a	-	(0.55)
Recognition of financial assets at fair value- Security deposit	b	(0.25)	-
Recognition of financial assets at fair value- financial guarantee receivable	c	(5.64)	46.93
Trade receivable	g	(985.78)	(1,565.03)
Inventories	e	132.15	1,214.98
Recognition of financial liability at fair value-Borrowings	i	0.27	25.55
Investment in mutual funds	f	(0.05)	-
Employee advances	h	(0.67)	-
Deferred tax impact of above adjustments		298.28	2,796.91
Advance tax assets	d	-	(246.72)
Total adjustments		1,710.38	2,272.07
Total equity as per Ind AS		29,754.68	17,639.86

E) Reconciliation of total comprehensive income for the year ended March 31, 2017

	Note	March 31, 2017
Profit after tax as per previous GAAP		305.14
<b>Adjustments:</b>		
Actuarial loss on defined benefit plans recognised in Other comprehensive income (net of tax)		(1.81)
Remasurement of financial assets at fair value		132.15
Recognition of financial assets at fair value		(982.19)
Unwinding of financial liabilities at amortized cost		0.27
Unwinding of financial assets at amortised cost		(10.20)
Deferred tax impact of above adjustments		298.28
Total adjustments		(563.50)
Profit after tax as per Ind AS		(258.36)
<b>Other comprehensive income (net of tax):</b>		
Actuarial loss on defined benefit plans		1.81
Total comprehensive income as per Ind AS		(256.55)

Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2017

	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activities	j	(1,760.76)	(5,142.52)	(6,903.28)
Net cash flow from investing activities	j	(4,093.65)	5,130.84	1,037.19
Net cash flow from financing activities	j	9,219.66	(61.11)	9,158.55
Net increase/(decrease) in cash and cash equivalents		3,365.25	(72.79)	3,292.46
Cash and cash equivalents as at 1 April 2016		682.24	(117.39)	564.85
Cash and cash equivalents as at 31 March 2017		4,047.49	(190.18)	3,857.31

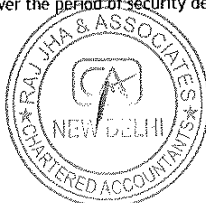
Notes to first-time adoption:

(a) Financial assets - investment in equity shares

In the financial year 2010-11, the Company had disposed off equity shares amounting INR 0.55 lacs. However, it continued to carry such equity shares in its books of account. Recognising the same as an error the Company has written off investment and accordingly as at April 1, 2016 the carrying value of investments have been decreased by corresponding decrease in the opening reserve of the Company.

(b) Financial assets - Security deposit

Under previous GAAP, interest free security deposits (that are refundable in cash on completion of the term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly the Company has fair valued these security deposits using the Effective Interest Rate (EIR). The difference between the fair value and transaction value at the time of initial recognition has been recognised as prepaid rent. In the subsequent years, the fair value of security deposits have been increased by recognition of corresponding interest income applying the EIR and prepaid rent has been amortised over the period of security deposits.



**(c) Financial guarantee contracts**

Under Indian GAAP, there is no guidance and requirement to record personal guarantee given against loans taken from financial institutions by directors till the same is not invoked.

However, under Ind AS, financial guarantee contracts which requires the issuer to make specified payments to reimburse the holder of that guarantee for a loss it incurs because a specified debtor fails to make payment shall be recorded at fair value.

The Company is a party to financial guarantee contracts as its directors has given guarantee against certain borrowings taken by it. The effect of the adjustments resulted in recognition of deemed capital contribution by directors along with corresponding recognition an asset namely financial guarantee receivable on transition date.

In the subsequent years, the fair value of financial guarantee receivable has been decreased by recognition of corresponding finance cost in the statement of profit and loss.

**(d) Tax adjustments related to earlier years**

The Company has evaluated recoverability of advance tax assets which are outstanding for more than six years. On the basis of such evaluation the Company has written off the said advance tax assets on account of uncertainty regarding their recoverability.

**(e) Inventories**

In the previous years the Company had amortised inventory over its useful lives. Recognising the same as GAAP error the Company has reversed such amortisation on inventories retroactively. Accordingly as at April 1, 2016 the carrying value of inventories have been increased by accumulated depreciation along with corresponding increase in the opening reserve of the Company. Further the Company has discontinued depreciation inventory in the subsequent years.

**(f) Investment in mutual funds**

In the previous years the Company had recorded investment in mutual funds at cost. Recognising the same as GAAP error the Company has recorded such mutual funds at fair market value.

**(g) Trade receivable**

Under the previous GAAP, provision for doubtful debts are recognised when loss event indicators are visible. However, as per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. Expected credit losses are defined as the difference between the contractual cash flow due to the Company and cash flow that the Company expect to receive. As a result, the allowances for doubtful debts are recognised in the books of account with a corresponding decrease in retained earnings/trade receivables.

**(h) Interest Free Loan/Loan given on concessional rate of interest**

Under previous GAAP, interest free loan (that are repaid by the employees as per the terms of respective loan agreements) are recorded at their transaction value. Under Ind AS, such loans being financial assets are required to be recognised at fair value. Accordingly the Company has fair valued these loans using Effective Interest Rate (EIR). The difference between the fair value and transaction value at the time of initial recognition has been charged to statement of profit & loss/ opening reserves, as the case may be. In the subsequent years, the fair value of such assets have been increased by recognition of corresponding interest income applying the EIR.

**(i) Financial liabilities- borrowings**

Under Indian GAAP, liabilities pertaining to long term borrowings received from banks/financial institutions are recorded at cost.

However, under Ind AS, liabilities in which the Company has a contractual obligation to deliver cash are classified as financial liabilities and recorded at amortized cost. The Company amortises upfront loan processing and finance charges over the expected life of the respective borrowings as required by Ind AS 109. The upfront benefit on transition date due to the discounting has been adjusted against the retained earnings. Further, interest cost on unwinding of discount has been charged off to the statement of profit or loss.

**(j) Re-measurement of employee benefits :**

Both under Indian GAAP and Ind-AS, the company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit or loss. However, Under Ind-AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in Other Comprehensive Income.



**(g) Deferred taxes**

The above changes increased (decreased) the deferred tax liability as follows based on a tax rates of 33.063 per cent and 33.063 per cent for the financial year March 31, 2016 and March 31, 2017 respectively:

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 "Income Taxes" requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

The above changes result into increased/(decreased) the deferred tax assets as follows:

	Note	April 1, 2016	March 31, 2017
Impact of change in temporary differences between carrying amount and tax base of assets		2,820.87	3,145.64
Impact of change in temporary differences between carrying amount and tax base of liability		(23.96)	(50.46)
		<b>2,796.91</b>	<b>3,095.18</b>

**(h) Retained earnings**

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

**(i) Other comprehensive income**

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Items that have been reclassified from statement of profit and loss to other comprehensive income includes remeasurement of defined benefit plans (net of tax). Hence, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

**(j) Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

49 These financial statements were authorized for issue by Board of Directors on September 4, 2018.

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

As per our report of even date

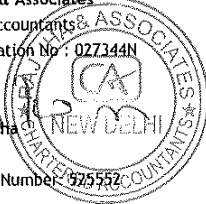
For Raj Jha & Associates

Chartered Accountants & ASSOCIATES

Firm Registration No: 027344N

Raj Kumar Jha  
Proprietor

Membership Number: 675552



Place: New Delhi

Date : September 4, 2018

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

Rakshit Jain  
Director & CEO  
DIN : 00607288

Arun Mitter  
Director  
DIN : 00022941

Nupur Jain  
Company Secretary  
M.No. 36044

Vijay Kumar Sharma  
CFO

Place: New Delhi

Date : September 4, 2018