D T S & Associates

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MODEL ECONOMIC TOWNSHIP LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Model Economic Township Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and the Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes 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 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, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether

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due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give 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 the 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 financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March, 2018 and its loss, including other comprehensive income, its cash flows and the statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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, the Cash Flow Statement and statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

   (e) On the basis of the written representations received from the directors as on 31stMarch, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31stMarch, 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, refer to our separate Report in "Annexure A".

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations as at 31st March, 2018 on its financial position in its financial statements. Refer Note 29 to the financial Statements.

      ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long - term contracts.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

D T S & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

2. As required by the Companies (Auditor's Report) Order 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure B" here to, a statement on the matters specified in the paragraphs 3 and 4 of the Order.

For D T S & Associates
Chartered Accountants
(Firm Registration No.142412W)

Anuj Bhatia
Partner
Membership No. 122179

D T S & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai,
Date: 13th April, 2018

"ANNEXURE (A)" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under the heading "report on other legal and regulatory requirements" of our report of even date on the financial statements of Model Economic Township Limited for the year ended 31st March 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 **Model Economic Township Limited** ("the Company") as of 31st March, 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India. 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 Act.

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, issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 judgment, 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

D T S & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

Continuation Sheet.....

(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 unauthorized 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For D T S & Associates
Chartered Accountants
(Firm's Registration No. 142412W)

Anuj Bhatia
Partner
Membership No. 122179

Place: Mumbai
Date: 13th April, 2018

"ANNEXURE B" TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Model Economic Township Limited on the financial statements for the year ended on 31st March 2018)

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification as compared to the book records.

(c) The Company does not hold any immovable properties as fixed assets in respect of which the title deeds is not in the name of the Company accordingly provisions of Clause (i) (c) of paragraph 3 of the order are not applicable to the Company.

(ii) The inventories of the Company consist of the land and projects under development /construction. During the year the management has conducted physical verification of the inventories and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loan secured or unsecured to companies, firms, or other parties covered in the register maintained under section 189 of the Act. Accordingly the provisions of Clause (iii) of paragraph 3 of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made by it. The Company has not granted any loan, guarantees or security during the year under audit and hence provision of section 185 of the act are not applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit. Accordingly the provisions of Clause (v) of paragraph 3 of the order are not applicable to the Company.

(vi) According to the information and explanations given to us, the maintenance of cost record under section 148(1) of the act are not applicable to the company for the year under audit.

(vii) According to the information and explanations given to us, and the records of the Company examined by us:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, custom duty, excise duty, Value added tax, Goods and Service Tax, Cess and any other statutory dues with appropriate authorities as applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were outstanding, as at 31st March, 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us there are no dues of Income Tax , Sales Tax, Service Tax, duty of custom, duty of excise and Value added tax which have not been deposited on account of any dispute.

D T S & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

(viii) According to the information and explanations given to us, the Company has not borrowed from financial institution, bank or government. Accordingly, the provisions of Clause (viii) of paragraph 3 of the order are not applicable to the Company.

(ix) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and no term loans were raised and accordingly provisions of Clause (ix) of paragraph 3 of the order are not applicable to the Company.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

(xi) In our opinion and according to the information and explanations given to us, managerial remuneration paid by the Company is 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. Accordingly, the provisions of Clause (xii) of paragraph 3 of the order are not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered by the Company with the related parties are in compliance with Section 177 and 188 of the Act as applicable and the details have been disclosed in the Financial Statements, as required by the applicable Indian accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully convertible debentures during the year. Accordingly, the provisions of Clause (xiv) of paragraph 3 of the order are not applicable to the Company.

(xv) According to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of Clause (xv) of paragraph 3 of the order are not applicable to the Company

(xvi) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause (xvi) of paragraph 3 of the order are not applicable to the Company.

For D T S & Associates
Chartered Accountants
(Firm Registration No.142412W)

Anuj Bhatia
Partner
Membership No. 122179

Place: Mumbai
Date: 13th April, 2018

MODEL ECONOMIC TOWNSHIP LIMITED
BALANCE SHEET AS AT 31ST MARCH,2018

(Rs in Lakh)

	Notes	As at 31st March 2018	As at 31st March 2017
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	99	144
Intangible assets	3	1	1
Financial Assets			
Other Financial Assets	4	1 286	992
Other Non Current Assets	5	1 447	918
Total Non -Current assets		2 833	2 055
Current assets			
Inventories	6	6 67 890	6 53 205
Financial Assets			
Trade Receivables	7	3	11
Cash and cash equivalents	8	112	141
Other Financial Assets	9	19	18
Current Tax Assets (Net)	10	41	91
Other Current Assets	11	3 633	3 783
Total Current assets		6 71 698	6 57 249
TOTAL ASSETS		6 74 531	6 59 304
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	9 700	9 700
Other Equity	13	4 13 466	4 14 191
Total Equity		4 23 166	4 23 891
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	14	2 38 134	1 94 259
Provisions	15	1 797	1 351
Deffered Tax Liablity (Net)	16	630	762
Total Non-Current Liabilities		2 40 561	1 96 372
Current Liabilities			
Financial Liabilities			
Trade payables	17	449	258
Other financial liabilities	18	-	33 179
Provisions	19	1 595	684
Other Current Liabilities	20	8 760	4 920
Total Current Liabilities		10 804	39 041
Total Liabilities		2 51 365	2 35 413
Total Equity and Liabilities		6 74 531	6 59 304

Significant Accounting Policies
See accompanying Notes to the Financial Statements **1 to 43**

As per our Report of even date
For DTS & Associates

Firm Regd No :142412W
Chartered Accountants

Anuj Bhatia
Partner
Membership No : 122179

Place : Mumbai
Date : 13th April,2018

D T S & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board

Shrivallabh Goyal
(Director)
DIN- 00021471

Shanker Adawal
(Director)
DIN- 01039400

Sudhir Jain
(Chief Financial Officer)
Membership No : 084440

Dheeraj Kandhari
(Company Secretary)
Membership No : A20934

Place : Gurugram
Date : 13th April,2018

Model Economic Township Limited Gurgaon

MODEL ECONOMIC TOWNSHIP LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs in Lakh)

	Notes	2017 - 18	2016 - 17
Income			
Revenue from Operations	21	17 483	4 113
Other Income	22	93	71
Total Income		17 576	4 184
Expenses			
Changes in Inventories	23	(14 685)	(39 043)
Employee Benefits Expense	24	1 192	1 084
Finance Cost	25	19 084	33 262
Depreciation and Amortization Expense	3	36	35
Other Expenses	26	12 809	9 622
Total Expenses		18 436	4 980
Loss before tax		(860)	(796)
Tax expense			
(1) Current Tax		-	-
(2) Deferred Tax		(134)	(108)
		(134)	(108)
Loss for the year		(726)	(688)
Other Comprehensive Income			
(a) Items that will be reclassified to profit or loss			
Income tax relating to items that will be reclassified to profit or loss		-	-
(b) Items that will not be reclassified to profit or loss		-	-
Remeasurement of the defined benefit plan		5	(49)
Income tax relating to items that will not be reclassified to profit or loss		(2)	15
Total Comprehensive Income for the period		(723)	(722)
Earning per equity share of face value of Rs 10 each			
(1) Basic		(0.75)	(0.71)
(2) Diluted		(0.75)	(0.71)
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1 to 43		

As per our Report of even date
For DTS & Associates
Firm Regd No :142412W
Chartered Accountants

Anuj Bhatia
Partner
Membership No : 122179

Place : Mumbai
Date : 13th April,2018

DTS & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board

Shrivallabh Goyal
(Director)
DIN- 00021471

Shanker Adawal
(Director)
DIN- 01039400

Sudhir Jain
(Chief Financial Officer)
Membership No : 084440

Dheeraj Kandhari
(Company Secretary)
Membership No : A20934

Place : Gurugram
Date : 13th April,2018

Model Economic Township Limited Gurgaon

MODEL ECONOMIC TOWNSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs in Lakh)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED AS ON 31ST MARCH ,2018

A. Equity Share Capital

	As at 31st March 2018		As at 31 March 2017	
	Numbers	Amount	Numbers	Amount
Equity Shares at the Begning of the year	970	9700	970	9700
Add: Shares Issued during the year	-	-	-	-
Equity Shares at the End of the year	970	9 700	970	9 700

B. Other Equity

		Reserve and Surplus			
	Instruments classified as equity	Capital Reserve	Retained Earning	Other Comprehensive Income	Total
Balance at the beginning of the year	4 12 592	5 818	(4 174)	(45)	4 14 191
Add: Merger Expenses during the year	-	-	(2)	-	(2)
Total Comprehensive Income for the year	-	-	(726)	3	(723)
Balance at the end of the year	**4 12 592**	**5 818**	**(4 902)**	**(42)**	**4 13 466**

As per our Report of even date
For DTS & Associates
Firm Regd No :142412W
Chartered Accountants

Anuj Bhatia
Partner
Membership No : 122179

Place : Mumbai
Date : 13th April,2018

For and on behalf of the Board

Shrivallabh Goyal
(Director)
DIN- 00021471

Shanker Adawal
(Director)
DIN- 01039400

Sudhir Jain
(Chief Financial Officer)
Membership No : 084440

Dheeraj Kandhari
(Company Secretary)
Membership No : A20834

Place : Gurugram
Date : 13th April,2018

MODEL ECONOMIC TOWNSHIP LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2018

(Rs in Lakh)

	2017-18		2016-17	
A: CASH FLOW FROM OPERATING ACTIVITIES:				
Net Loss before Tax as per Profit and Loss Statement		(860)		(796)
Adjusted for:				
Depreciation and Amortisation	36		35	
Provision for Estimated Cost Over Revenue	887		(5)	
Loss/(Profit) on Sale/ Discarding of Property, Plant & Equipment (Net)	13		0	
Interest Income	(75)		(64)	
Interest on Unsecured Loan	18 974	19 835	33 179	33 145
Operating Profit before Working Capital Changes		18 975		32 349
Adjusted for:				
Non Current Assets & Liabilities				
Other Current Financial Assets	10		11	
Provisions-Non current	446		(294)	
Other Non Current Financial Assets	(529)	(73)	(185)	(468)
Current Assets & Liabilities				
Trade Payables	191		88	
Other Current Liabilities	3 456		483	
Current Provisions	25		236	
Inventories	(14 685)		(39 043)	
Trade Receivables	8		(8)	
Other Current Assets	156	(10 849)	(847)	(39 091)
Cash Generated From/ (Used in) from Operations		8 053		(7 210)
Tax Paid (Net of Refund of TDS)		(50)		(25)
		(50)		(25)
Net Cash Flow From / (Used in) Operating Activities (A)		8 103		(7 185)
B: CASH FLOW FROM INVESTING ACTIVITIES:				
Payment for Property, Plant & Equipment		(11)		(43)
Proceeds from disposal of Property, Plant & Equipment		9		5
Investment		(9)		-
Disposal of Investment in Subsidiaries		8		1
Profit on Merger of Subsidiaries		(2)		(13)
Bank Deposit with more than 12 months maturity		(304)		(155)
Interest Income		74		64
Net Cash Flow (Used in) Investing Activities (B)		(235)		(141)
C: CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Borrowings- Non Current		62 925		77 645
Repayment of Borrowings-Non Current		(19 050)		(4 16 520)
Issue of Zero Coupon Optionally Fully Convertible Debentures		-		4 12 592
Interest on Unsecured Loan		(51 772)		(66 296)
Net Cash Flow From/ (Used in) Financing Activities (C)		(7 897)		7 421
Net Increase / (Decrease) in Cash and Cash Equivalents(A+B+C)		(29)		95
Opening Balance of Cash and Cash Equivalents		141		46
Closing Balnce of Cash and Cash Equivalents		112		141

Changes in Liability arising from financing activities

(Rs in Lakh)

	1st April,2017	Cash Flow	Foreign exchange movement	As as 31st March,2018
Borrowing- Non Current (Refer note 14)	1 94 259	43 875	-	2 38 134
Borrowing- Current	-	-	-	-
	1 94 259	43 875	-	2 38 134

Notes :

(1) The above cash flow statement has been prepared under the "indirect method" as set out in Ind As-7-Cash Flow Statement

(2) Figures in the brackets indicate outflow

As per our Report of even date
For DTS & Associates
Firm Regd No :142412W

Chartered Accountants

Anuj Bhatia
Partner
Membership No : 122179

Place : Mumbai
Date : 13th April,2018

DTS & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board

Shrivallabh Goyal
(Director)
DIN- 00021471

Shanker Adawal
(Director)
DIN- 01039400

Sudhir Jain
(Chief Financial Officer)
Membership No : 084440

Dheeraj Kandhari
(Company Secretary)
Membership No : A20934

Place : Gurugram
Date : 13th April,2018

Model Economic Township Limited Gurgaon

NOTES TO THE FINANCIAL STATEMENTS

A. CORPORATE INFORMATION

1. Model Economic Township Limited is public limited company having its registered office at Plot no. 77 B, third floor, IFFCO Road, Sector 18, Gurugram-122015, Haryana. The Company was jointly promoted by Reliance Ventures Limited (a subsidiary of Reliance Industries Limited) and Haryana State Industrial & Infrastructure Development Corporation Limited (HSIIDC) in terms of the Joint Venture Agreement dated 19th June 2006 to develop and operate Special Economic Zones ('SEZ') in Haryana.

   Subsequebt to the above, Goverment of Haryana approved the expanded scope of the project to include Model Economic Township (IMT framework) project with a combination of Special Economic Zone (SEZ), Domestic Tariff Areas (DTA), Logistics Hub, Social Infrastructure etc. in addinition to the SEZ. The Joint Venture Agreement has been terminated in August, 2014. Presently, the Company is carrying out development activities on its industrial colonies, for which licenses were obtained and has continued to consolidate the purchased land as well as to coordinate and obtain various government approvals etc.

2. The Company is unlisted entity and intermediate wholly owned subsidiary of Reliance Venture Limited and ultimate subsidiary of Reliance Industries Limited and accordingly in view of Rule 2 of Companies (Accounts) Amendment Rules 2016 notified on 27th July, 2016, the provision related to preparation of Consolidated Financial Statements of the Company and its subsidiary are not applicable to the Company and hence not prepared.

B. ACCOUNTING POLICIES

B.1 BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

i) Defined benefit plans - plan assets,
ii) Annuity payment for furure period to land sellers,
iii) Lease rentals receivable from customers on long term lease

Company's financial statements are presented in Indian Rupees, which is its functional currency and all values are rounded to the nearest Lakh (Rs.00,000) except when otherwise indicated.

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to assets.

Subsequent costs 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 entity and the cost can be measured reliably.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work – in - Progress.

Depreciation on property, plant and equipment is provided using straight line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposable proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

D T S & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

Model Economic Township Limited Gurgaon

(b) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as a Lessor

For the assets given under finance lease, the lease premium received initially is recognised as income of the Company at the inception of the lease. Annual lease rentals receivable in future are recognised at their present value. The corresponding amount due from the lessee is included in the balance sheet as lease rents receivable.

Lease rents received by the Company are apportioned between finance income and reduction of the lease receivables so as to achieve a constant rate of interest on the remaining balance of the lease. Finance income is recognised immediately in Statement of profit and loss.Contingent rentals are recognised as income in the periods in which they are received.

(c) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes trade discount and rebates less accumulated amortisation/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the assets'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 entity abnd the cost can be measured reliably.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of profit or loss when the asset is derecognised.

A summary of the policies applied to the Company's intangible assets is, as follows:

Particular	Depreciation
Computer Software	Over a period of 5 years
Others	Over the period of agreement of right to use.

(d) Finance Cost

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

(e) Inventories

Inventories are measured at lower of cost and net realisable value.

Inventory comprises of cost of Industrial Township and other Projects under development (Work-in-progress). Cost of Inventory consists of cost of land, annuity cost, land development expenses, material, services, construction cost, interest and finance charges and other expenses related to development of projects. In case inventory is purchased on deferred payment basis, difference between the purchase price for normal credit terms and the amount paid on deferred payment terms is recognized as interest expense during the credit period.

(f) Impairment of non-financial assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The Recoverable amount is the higher of asset's fair value less costs to disposal and value in use. 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 assessment of the time value of money and the risks specific to the assets.

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The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(g) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(h) Employee Benefits

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid at 15 days salary for every completed year of service as per the payment of Gatuity Act 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by the tax authorities.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefits plans in respect of post-employment and other long term benefits are charged to Other Comprehensive Income.

(i) Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of profit and loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income or equity.

- **Current tax**

  Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted at the Balance sheet date.

- **Deferred tax**

  Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

  Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

(j) Revenue recognition

Revenue from operations is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods and the amount of revenue can be measured reliably.

Revenue from or rendering of services is recognised when the performamce of agreed contractual task has been completed.

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The agreement to sale or long term lease of land, including development and provision of infrastructure facilities/services, where substantial risk & rewards are conveyed to buyer/lessee, is considered as sale of land. Revenue from such sale of land is recognized on execution of sale/lease deeds, by which substantial risks and rewards are conveyed to Buyers/Lessee.

Revenue in respect of projects under development/construction is recognized on the "Percentage of Completion method" of accounting which is the percentage of the actual cost incurred, including the cost of land and its development, to the total estimated cost of the project subject to such actual cost being 25% or more of the total estimated cost. The estimated cost of the project is based on company's estimate of the cost expected to be incurred till the final completion of the project and includes cost of land, annuity costs, construction and development expenses, materials, services, interest and finance charges and other expenses related to development of projects. The estimates of the costs are revised periodically by the Company and effect of such changes in estimates is recognized in the period in which such changes are determined. Any projected losses on agreements executed are recognized in full when identified. Recognition of revenue relating to agreements entered into with the buyers, which are subject to fulfillment of obligations/conditions imposed by the statutory authorities, is postponed till such obligations are discharged. When sale price is realized on deferred payment basis, the difference between fair value of sale price receivable as per normal credit terms and sale price receivable over deferred payment terms will be accounted as interest income over the credit period.

Interest Income
Interest income from a financial asset is recognised using effective interest rate method.

Dividends
Revenue is recognised when the Company's right to receive the payment has been established.

C. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Depreciation/amortization and useful lives of property plant and equipment/ Intangible Assets

Property, plant and equipment/intangible assets are depreciated/amortized over their estimated useful lives, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortization for future periods is adjusted if there are significant changes from previous estimates.

b) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

c) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

d) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

e) **Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

D. STANDARDS ISSUED BUT NOT EFFECTIVE

On March 28, 2018 The Ministry of Corporate Affairs (MCA) has notified Ind AS 115 –Revenue from Contract with Customers and Certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018

a) **Issue of Ind AS 115– Revenue From Contracts with Customers**

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on identification and satisfaction of Performance obligations.

b) **Amendments to Existing Issued Ind AS**

The MCA has also carried out amendments of the following accounting standards;

i. Ind AS 21- The effects of changes in Foreign Exchange Rates
ii. Ind AS 40 –Investment Property
iii. Ind AS 12- Income Taxes
iv. Ind AS 28- Investments in Associates and Joint Ventures and
v. Ind AS 112- Disclosure of Interest in other Entities

Application of above standards are not expected to have any significant impact on Company's Financial Statements

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MODEL ECONOMIC TOWNSHIP LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs in Lakh)

3. Property, Plant and Equipment and Intangible Assets

Description	Gross Block				Depreciation				Net Block	
	As at	Additions	Deductions /Adjustments	As at	Upto	For the Year	Deductions /Adjustments	Upto	As at	As at
	1st April 2017	2017-2018		31st March 2018	1st April 2017	2017-2018		31st March 2018	31st March 2018	31st March 2017
Tangible Assets (Owned)										
Building	49	-	-	49	21	10	-	31	18	28
Plant and Equipment	1	-	-	1	1	-	-	1	0	0
Office Equipments	221	10	15	216	180	14	15	179	37	41
Furniture & Fixture	33	1	-	34	30	1	-	31	3	3
Vehicles	84	-	42	42	35	7	22	20	22	49
Others (Electrical Installation)	47	-	-	47	24	4	-	28	19	23
Total (A)	435	11	57	389	291	36	37	290	99	144
Intangible Assets										
Computer Software*	16	-	-	16	15	0	-	15	1	1
Total (B)	16	-	-	16	15	0	-	15	1	1
Total (A+B)	451	11	57	405	306	36	37	305	100	145
Previous Year	424	43	16	451	281	35	10	306	145	

* Other than internally generated

MODEL ECONOMIC TOWNSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs in Lakh)

	As at 31st March 2018	As at 31 March 2017
4. Other Financial Assets-Non Current		
Lease Rent Receivable in Future (Refer note 37)	77	87
Bank Deposits with more than 12 months maturity	1 209	905
	1 286	992

5. Other Non Current Assets		
Security Deposits	32	34
Amount Recoverable from Prospective Customers	292	294
Prepaid Expenses	21	19
Balance with GST Authorities	782	571
Claim Receivable	320	-
Total	1 447	918

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 (Rs in Lakh)

	As at 31st March 2018	As at 31 March 2017
6. Inventories		
Work- in- Progress	6 67 890	6 53 205
Total	6 67 890	6 53 205

6.1. During the year, the Company has taken steps to consolidate the purchased land, undertaken land development activities in its licensed industrial colonies, coordinated and obtained various government approvals etc. The developed land will be provided to the end users for various purposes, such as industrial, residential, commercial etc. Presently, the intention of the Company is to either sell the developed land or convey the land on long term lease with upfront lease premium which would qualify to be finance lease as per the requirements of Indian Accounting Standard - 17 " Leases". Accordingly the Company has been classifying the entire land as Inventory and also interest on borrowings of Rs. 18 974 Lakh incurred during the year (Previous Year Rs 33 216 Lakh) have been considered as part of Inventory.

6.2 Inventory includes land valuing Rs 359 Lakh (Previous Year Rs 110 Lakh) representing 5.24 acres (Previous Year 2 acres) vested with the company pursuant to scheme of amalgamtion approved by Central Government (Previous year by High Court of Punjab & Haryana) which is in the name of erstwhile Companies and yet to be transferred in the name of Company in revenue records of the Government of Haryana.

	As at 31st March 2018	As at 31 March 2017
7. Trade Receivables		
(Unsecured, considered good)		
Trade Receivables	3	11
Total	3	11
8. Cash & Cash Equivalents		
Cash in Hand	67	68
Balances with Banks		
-In Current Accounts	24	73
	91	141
Other Bank Balance		
Balance in current account for legal compliance		
(Rs 20 92 036 Previous Year Rs 11 363)	21	0
(Refer note 8.1)		
	112	141

8.1 In terms of the Real Estate (Regulation and development) Act 2016 and Haryana Real Estate (Regulation and Development) Rule 2017, the Compnay is required to deposit seventy percent of amount collected from allottes in a separate bank account which shall be utilised for meeting the land and construction cost of project. This account is the separate account an envisaged in above provision of the Act & Rule.

	As at 31st March 2018	As at 31 March 2017
9. Other Financial Assets-Current		
Interest Accrued on Fixed Deposits	9	7
Lease Rent Receivable in Future (Refer note 37)	10	11
Total	19	18
10. Current tax Assets (Net)		
Tax Deducted at Source	41	91
	41	91
11. Other Current Assets		
Balance with GST Authorities	19	11
Prepaid Expenses	22	28
Others Advances	3 592	3 744
Total	3 633	3 783

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Model Economic Township Limited Gurgaon

MODEL ECONOMIC TOWNSHIP LIMITED (Rs in Lakh)

12. Share Capital

	As at 31st March 2018	As at 31 March 2017
Authorised Share Capital		
50 00 00 000 Equity Shares of Rs 10/- each	50 000	50 000
(Previous year 50 00 00 000 equity shares of Rs 10/- each)		
Issued, Subscribed & Paid up		
9 70 00 000 Equity Shares of Rs 10/- each fully paid up	9 700	9 700
(Previous year 9 70 00 000 Equity Shares of Rs 10/- each fully paid up)		
Total	9 700	9 700

12.1. Reconciliation of numbers of shares outstanding at the beginning and at the end of the period

	As at 31st March 2018		As at 31 March 2017	
	Numbers	Amount	Numbers	Amount
Shares outstanding at the beginning of the year	970	9 700	970	9 700
Add: Shares issued on right basis during the year	-	-	-	-
Shares outstanding at the end of the year	970	9 700	970	9 700

b. Details of Shareholding more than 5% in the Company

	As at 31st March 2018		As at 31 March 2017	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Holding Company- Reliance Ventures Limited & its Nominees (Equity Shares of Rs 10 each fully paid)	970	100%	970	100%
Total	970	100%	970	100%

c. Terms/right attached to equity shares

The Company has only one class of equity shares having a face value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share.

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

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Model Economic Township Limited Gurgaon

(Rs in Lakh)

	As at 31st March 2018	As at 31 March 2017
13. Other Equity		
Instrument classified as equity		
(a)Zero Coupon Optionally Fully Convertible Debentures		
As per last Balance Sheet (Refer note 13.1)	4 12 592	-
Add: Addition during the year	-	4 12 592
Total	4 12 592	4 12 592

13.1. The Company had issued 412 59 20 000 number of Zero Coupon Optionally fully convertible unsecured Debentures having face value of Rs 10/- each to Reliance World Trade Private Limited. Total tenure is 15 years from date of allotment and Company will settle the outstanding debentures on expiry of 15 years. The Company has the option for early conversion at any time by giving one month notice. The conversion of debenture will be based on the face value as at 31st March,2016. The equity shares arising out of conversion of debenture will rank pari passu in all respects with the then outstanding shares of the Company on the date of such conversion except for dividend if declared , shall be paid on pro rate basis from the date of allotment of such equity shares. The debentures are not marketable and will not be listed on any stock exchange in India and abroad.

Reserves & Surplus		
Captial Reserve (Pursuant to Scheme of Arrangements)		
As per last Balance Sheet	5 818	5 831
Add: Accretion during the year	-	(13)
Closing Balance	5 818	5 818
Retained Earning		
As per last Balance Sheet	(4 174)	(3 486)
Add: Amount pursuant to scheme of arrangements (Refer note 35)	(2)	-
Add: Net Profit/(Loss) for the Year	(726)	(688)
Total	(4 902)	(4 174)
Other Comprehensive Income (OCI)		
As per last Balance Sheet	(45)	(11)
Add: Movement in OCI (net) during the year	3	(34)
	(42)	(45)
Total	4 13 466	4 14 191

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Model Economic Township Limited Gurgaon

MODEL ECONOMIC TOWNSHIP LIMITED (Rs in Lakh)

	As at 31st March 2018	As at 31 March 2017
14. Borrowings -Non current		
Unsecured Loans		
Loans from Related Parties		
From Fellow Subsidiary (Refer note 14.1)	2 38 134	1 94 259
Total	2 38 134	1 94 259

14.1 Loans outstanding as on 31st March,2018 are repayable on 31st March,2021 and carrying interest @ 8.5% p.a

15. Provisions- Non Current		
Annuity (Refer note 36)	1 797	1 351
Total	1 797	1 351

16. Deffered Tax Liabilty (Net)		
At the start of the year	762	885
Charge/(credit) to profit or loss (Refer note 41)	(132)	(123)
At the end of the year	630	762

17. Trade Payables		
Trade Payables (Refer note 17.1)	449	257
Payable to Related Party	-	1
	449	258

17.1 Trade Payable

The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company are as under:

Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

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Model Economic Township Limited Gurgaon

(Rs in Lakh)

	As at 31st March 2018	As at 31 March 2017
18. Other Financial Liabilities- Current		
Interest Accrued but not Due on Loans	-	33 179
	-	33 179
19.Provisions- Current		
(a) Provision for Employee Benefits		
Provision For Leave Encashment	64	43
Provision for Superannuation	11	11
Provision for Gratuity	1	-
(b) Others		
Provision for Estimated Cost Over Revenue (Refer note 19.1)	1 013	126
Annuity (Refer note 36)	506	504
Total	1 595	684

19.1 The Company has recognized estimated loss based on substantial degree of estimation for estimated cost over revenue from Industrial Township Project. Actual outflow is expected in the subsequent financial years.

20. Other Current Liabilities		
Advance received from Customers	6 164	3 015
Annuity (Refer note 36)	2 162	1 820
Other Liabilities*	434	85
Total	8 760	4 920

* Includes statutory dues and emloyees benefits

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(Rs in Lakh)

	2017 - 18		2016 - 17	
21. Revenue From Operations				
Sale of Land		18 383		2 990
Lease Premium (Refer Note 21.1)		(1 709)		51
Compensation for Compulsorily Acquisition of Land (Refer Note 33)		685		1 004
Finance Income against Lease Rental		5		3
Other Operating Income				
Common Service Charges	140		75	
Less:Service Tax/GST Recovered	21	119	10	65
Total		17 483		4 113

21.1 During the year, the Company has received approval of the service plan which includes complete details with specifications of various internal development works to be carried out by the Company in its licensed colonies along with corresponding cost for each of the activity. These cost estimates are considered for computing the estimated cost to work out the percentage of completion for recognizing the cost and revenue by the Company during the year. Since the estimated cost of various internal development works has increased during the year, it has resulted in reduction in percentage of completion compared to that of the previous year. This has caused the reversal of the revenue recognized till the previous year.

	2017 - 18	2016 - 17
22. Other Income		
Interest Income on Fixed Deposit with scheduled bank	75	64
Interest Received (Income Tax Refund)	11	-
Interest Received Others	-	6
Profit on Sale of Property, Plant & Equipment Rs 7 876 (Previous Year Rs 61 212)	0	0
Dividend Receved from Subsidiary Company (Refer note 28.1)	7	-
Miscellaneous Income (Rs 25 720 Previous Year Rs 1 21 382)	0	1
Total	93	71
23. Changes in Inventories		
Projects under Development (Work-in-Progress at commencement)	6 53 205	6 14 162
Projects under Development (Work-in-Progress at close)	6 67 890	6 53 205
Total Change in Inventories	(14 685)	(39 043)
24. Employee Benefits Expense		
Salaries and wages	1 060	959
Contribution to Provident and other Fund	65	64
Staff welfare expenses	67	61
Total	1 192	1 084
25. Finance Cost		
Interest on Unsecured Loan	18 974	33 216
Guarantee Commission	51	26
Finance Charges-Discounting Difference	59	40
Total	19 084	33 282

(Rs in Lakh)

	2017 - 18	2016 - 17
26. Other Expenses		
Land Cost	4 719	5 454
Land Development Cost	2 918	901
Annuity Expenses (Refer note 36)	2 377	1 639
Salaries & Wages - Contractors	372	344
Rent	169	143
Rates & Taxes (Rs 31 802 Previous Year Rs 1 35 620)	0	1
Insurance	32	18
Telephone Expenses	9	9
Travelling & Local Conveyance	179	157
Power & Fuel	57	55
Repair & Maintenance		
- Plant and Machinery	10	5
- Buildings	29	20
- Others	9	29
Professional & Consultancy Fees	294	198
Security Expenses	256	201
Social Programme Expenses	143	51
Payment to Auditors (Refer note 26.1)	20	24
Director Sitting Fees	5	6
Loss on Sale of Property, Plant & Equipment	13	1
Investment Written off (Refer note 26.2)	16	-
General Expenses	295	371
Provision/(Reversal) for Estimated Cost Over Revenue	887	(5)
Total	12 809	9 622

26.1. Payment to Auditors (including Service Tax/Goods and Services Tax)		
Statutory Audit fees	17	20
Tax Audit Fees	-	4
Certification Fees (Rs 2 60 000 Previous year Rs 40 250)	3	0
Out of pocket expenses (Rs Nil Previuos Year Rs 21 206)	-	0
Total	20	24

26.2. During the year, the Company made investments in equity shares of Resolute Land Project Consortium Limited, Tangerine Agro Private Limited and Santol Commercials Private Limited and as a result, these companies became wholly owned subsidiaries of the Company on 19th July, 2017. Subsequent to it, these Companies filed application under section 248 (2) of the Companies Act 2013 for removal of their names from register of companies as a result of which they have been de-activated in records of registrar of companies. Considering the above and also that these companies have no asset, the Company has written off the investment in these companies aggregating to Rs. 16 Lakh

27. Earning per share (EPS)		
Net Profit / (Loss) after tax as per Statement of Profit and Loss (Rs.)	(726)	(688)
Weighted Average number of equity shares used as denominator for calculating EPS	970	970
Basic Earning per share (Rs.)	(0.75)	(0.71)
Diluted Earning per share (Rs.)*	(0.75)	(0.71)
Face Value per equity share (Rs.)	10	10

*The effects of ZOFCD on the earning per share are anti-dilutive and hence, the same is not considered for the purpose of calculation of dilutive earning per share.

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28.1 As per Indian Accounting Standard 24- "Related Party Disclosures", the disclosures of transactions with the related parties are given below :

i) List of Related Parties and Relationships:

Sr. No	Name of the Related Party	Relationship
1	Reliance Ventures Limited (RVL)	Holding Company
2	Reliance Industries Limited	Holding Company of RVL
3	Resolute Land Consortium Projects Limited	Subsidiary Companies with effect from 19th July, 2017
4	Santol Commercials Private Limited	
5	Tangerine Agro Private Limited	
6	Reliance Jio Infocomm Limited	Fellow Subsidiary of Holding Company
7	Reliance Retail Limited	Fellow Subsidiary of Holding Company
8	Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary of Holding Company
9	Reliance World Trade Private limited	Fellow Subsidiary of Holding Company
10	Reliance Corporate IT Park Limited	Fellow Subsidiary of Holding Company
11	Reliance Eminent Trading and Commercial Private Limited	Fellow Subsidiary of Holding Company
12	Shri Shrivallabh Goyal, Whole Time Director	Key Managerial Personnel
13	Shri Sudhir Jain , Chief Financial Officer	
14	Shri Dheeraj Kandhari, Company Secretary	

ii) Transactions and closing balance during the year with the Related Parties:

(Rs in Lakh)

S. N.	Nature of Transaction	Holding Company of RVL	Subsidiary Company	Fellow Subsidiaries of Holding Company	Key Managerial Personnel
(A)	**Transactions during the year**				
1.	Unsecured Loans Received	- -	- -	**62 925** *77 645*	- -
2.	Unsecured Loans Repaid	- -	- -	**19 050** *4 16 520*	- -
3.	Interest on unsecured loan	- -	- -	**18 974** *33 216*	- -
4.	Lease Rent Received	**5** *5*	- -	- -	- -
5.	Payment to Key Managerial Personnel	- -	- -	- -	**266** *272*
6.	Issue of Zero Coupon Optionally Fully Convertible Debentures	- -	- -	- *4 12 592*	- -
7.	Corporate Guarantee utilized for issue of bank guarantee of the Company (net)	**18 274** *6*	- -	- -	- -
8.	Fixed Assets Purchased/(Sale)(Net)	- -	- -	**4** *1*	- -
9.	Other Expenses	- -	- -	**77** *67*	
10.	Purchase of investments	- -	**16** -	- -	- -
11.	Dividend received	- -	**7** -	- -	- -
12.	Sale of land	- -	- -	**16 309** -	- -
13.	Investment written off	- -	**16** -	- -	- -
(B)	**Balance as at 31st March 2018**				
1.	Unsecured Loans	- -	- -	**2 38 134** *1 94 259*	- -
2.	Interest accrued but not due	- -	- -	- *33 179*	- -
3.	Zero Coupon optionally Fully Convertible Debentures	- -	- -	**4 12 592** *4 12 592*	- -
4.	Corporate Guarantee received	**22 059** *3 785*	- -	- -	- -
5.	Advance / Payable	- -	- -	- *(1)*	- -

Note: Figures in italics represent that of previous year.

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Disclosure in Respect of Material Related Party Transactions during the year:

(Rs. In Lakh)

S.no	Particulars	Relationship	2017-18	2016-17
1.	**Unsecured Loans Received** Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary	62 925	77 645
2.	**Unsecured Loans Repaid** Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary	19 050	4 16 520
3.	**Interest on unsecured loan** Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary	18974	33216
4	**Lease Rent Received** Reliance Industries Limited	Holding Company of RVL	5	5
5.	**Payment to Key Managerial Personnel** Shri Shrivallabh Goyal Shri Sudhir Jain Shri Dheeraj Kandhari	KMP	159 87 20	159 93 20
6.	**Issue of Zero Coupon Optionally Fully Convertible Debentures** Reliance World Trade Private limited	Fellow Subsidiary	-	4 12 592
7.	**Corporate Guarantee utilized for issue of bank guarantee of the Company** (net) Reliance Industries Limited	Holding Company of RVL	18 274	6
8.	**Fixed Assets Purchased** Reliance Retail Limited	Fellow Subsidiary	4	1
9	**Other Expenses** Reliance Corporate IT Park Limited (Rs 4601 Previous Year Nil) Reliance Jio Infocomm Limited Reliance Retail Limited	Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary	0 1 76	- - 67
10	**Purchase of investments** Resolute Land Consortium Projects Limited Santol Commercials Private Limited Tangerine Agro Private Limited	Subsidiary Subsidiary Subsidiary	5 6 5	- - -
11.	**Dividend Received** Santol Commercials Private Limited Tangerine Agro Private Limited	Subsidiary Subsidiary	4 3	- -
12	**Sale of Land** Reliance Eminent Trading and Commercial Private Limited	Fellow Subsidiary	16 309	-
13.	**Investment Written off** Resolute Land Consortium Projects Limited Santol Commercials Private Limited Tangerine Agro Private Limited	Subsidiary Subsidiary Subsidiary	5 6 5	- - -

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Balance at the end of the year includes:

(Rs.In Lakh)

S.No	Particulars	Relationship	2017-18	2016-17
1	**Unsecured Loan Received** Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary	2 38 134	1 94 259
2	**Interest accrued but not due on unsecured Loan** Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary	-	33 179
3	**Issue of Zero Coupon Optionally Fully Convertible Debentures** Reliance World Trade Private limited	Fellow Subsidiary	4 12 592	4 12 592
4	**Corporate Guarantee utilized for issue of bank guarantee of the Company (net)** Reliance Industries Limited	Holding Company of RVL	22 059	3 785
5.	**Advance /Payable for Services** **Reliance Retail Limited**	Fellow Subsidiary	-	(1)

Note:
The above transactions disclosed are entered during the period of existence of related party relationship. The balance and transactions are not disclosed after cessation of related party relationship.

28.2 Compensation of Key managerial personnel

The remuneration of director and other member of key management personnel during the year was as follows:

(Rs in Lakh)

S.N.	Particulars	2017-18	2016-17
1.	Short term benefits	266	272
2.	Post-employment benefits	11	72
	Total	277	344

29 Contingent Liability & Commitments

(Rs in Lakh)

	2017 - 18	2016-17
Contingent Liabilities		
(i) Bank Guarantees	22 059	3 785

(ii) In respect of private purchase of land by the Company, 1 revision second appeal is pending against the Company in Punjab and Haryana High Court and 38 civil suits (previous year 32 civil suits) of various nature are pending in district courts. Company is of the view that most of these cases are not tenable and no material liability will arise.

Commitments

Others

	2017 - 18	2016-17
a. Estimated amount of contracts remaining to be executed as on 31st March, 2018 (net of advances) and not provided for	2 509	1 141
b. MoUs executed with Land Sellers (net of advances)	373	364
c. Estimated cost to be incurred in connection with development of Industrial colonies under license issued by Directorate of Town & Country Planning, Government of Haryana not included in (a) above	6827	2 574
d. Rent of offices for unexpired period of rent agreement.	1 025	1 196

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30 Capital Management

The Company adheres to robust capital Management framework. It proactively reviews its debt structure and tries to optimize the impact of finance cost by adopting suitable debt mix.

(Rs in Lakh)

Particulars	As at 31st March, 2018	As at 31st March,2017
Gross Debt	2 38 134	1 94 259
Cash and Marketable Securities	112	141
Net Debt (A)	**2 38 022**	**1 94 118**
Total Equity (As per Balance Sheet) (B)	**4 23 166**	**4 23 891**
Net Gearing (A/B)	**0.56**	**0.46**

31 Financial Instruments

Fair value measurement hierarchy *(Rs in Lakh)*

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Carrying amount	Level of inputs used	Carrying amount	Level of inputs used
Financial Assets				
At amortized cost				
Trade Receivable	3	-	11	-
Cash and Cash Equivalent	112	-	141	-
Other Financial Asset	1 305	-	1 010	-
At FVTPL	-	-	-	-
At FVTOCI	-	-	-	-
Financial Liability				
At amortized cost				
Trade Payable	449	-	258	-
Other Financials Liability	-	-	33 179	-
At FVTPL	-	-	-	-
At FVTOCI	-	-	-	-

Interest rate risk

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period is as follows:

(Rs in Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Borrowing-Non Current	2 38 134	1 94 259

Impact on interest expenses for the year on 1% change in interest rate

Interest rate sensitivity	As at 31st March, 2018		As at 31st March, 2017	
	Up Move	Down Move	Up Move	Down Move
Impact on equity	-	-	-	-
Impact on Profit or Loss	-	-	-	-

Credit Risk

Credit risk is the risk that a customer or counter party to a financial instrument fails to perform or pay the amounts due causing financial loss to the Company. Credit risk arises from company's activities in investments and outstanding receivables from customers.

The Company has prudent and conservative process for managing its credit risk arising in the course of its business activities. Sale of developed plots /un-developed plots is made on receipt of full amount of consideration. The Company has payment delay risk on recovery of lease rentals and common maintenance charges from customers setting up their units in licensed colonies of the Company.

Liquidity Risk

Liquidity risk arises from the company's inability to meet its cash flow commitments on time. Since the Company is subsidiary of Reliance Industries Limited, the cash flow deficits are funded by its holding Company.

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32 The Company's activities during the year revolved around development of land and Industrial Township Project (Referred to in Note no. 1) in India. Considering the nature of Company's business and operations, there is only one operating segment as per Indian Accounting Standard 108 – "Operating Segments".

33 During the year the Government of Haryana (GoH) has acquired 2.038 acres (Previous Year 9.62 acres) land for the public purpose out of the private purchased land by the Company. Cost of this land amounting to Rs. 342 Lakh (Previous Year Rs. 809 Lakh) and compensation of Rs. 686 Lakh (Previous Year Rs.1 004 Lakh) received by the company from GoH on such compulsory acquisition of land have been recognized in the Statement of Profit and Loss.

34 During the year, the Company made investments in Resolute Land Consortium Limited, Santol Commercials Private Limited and Tangerine Agro Private Limited, in their equity shares and as a result, these companies became wholly owned subsidiaries of the Company on 19th July, 2017. Subsequent to it, these companies have filed application under section 248 of the Companies Act 2013 for removing their names from register of companies.

35 **Scheme of Arrangements**

35.1 During the year, the Company made investments in Jalaja Commercials Private Limited and Aanant Commercial Private Limited in their equity shares and as a result, these companies became wholly owned subsidiaries of the Company on 19th July, 2017. Subsequent to it, the Company filed a Scheme of Amalgamation of the Company with Jalaja Commercials Private Limited and Aanant Commercial Private Limited (both are referred to as Transferor companies) to Central Government under section 233 of the Companies Act 2013. The scheme of amalgamation has been confirmed by Central Government (Powers delegated to Regional Director) vide order dated 28th March, 2018. The Company has filed the copies of the order with Registrar of Companies, National Capital Territory of Delhi and Haryana on 29th March, 2018 and as such the scheme has become effective.

35.2 With effect from the acquisition date, the assets, liabilities, reserves, rights and obligations of the erstwhile transferor companies have been transferred to and vested with the Company and have been recorded at their carrying amount as prescribed in Appendix C Indian Accounting Standard- 103 (Business Combinations). Being the wholly owned subsidiary companies, Company's investment in 10,000 equity shares in each of the two transferor companies aggregating to Rs. 2 Lakh has been cancelled against share capital of the amalgamating Companies and no shares have been issued in pursuance of scheme of amalgamation.

35.3 Details with regard to the scheme of arrangements, as required by Indian Accounting Standard- 103 (Business Combinations), are as under:

(i) Both the transferor companies namely Jalaja Commercials Private Limited and Aanant Commercial Private Limited, as per their respective charters, have been in business of developers, promoters, colonizers, civil engineers in all sale, purchase, renting of property and carry on the business of all type of construction and development including building, flats, land development etc.

(ii) The Company obtained control of both the transferor companies on 19th July, 2017.

(iii) Since both the transferor companies were wholly owned subsidiaries of the Company, 20,000 equity shares (10,000 shares in each of the transferor companies) held by the Company were cancelled.

(iv) The assets are transferred at carrying value of transferor companies and therefore there is no difference between consideration paid and value of net assets acquired.

(v) The book value of the identifiable assets and liabilities of the Merged as at the date of acquisition were:

(Rs in Lakh)

Particulars	Jalaja Commercials Private Limited	Aanant Commercial Private Limited
(A) Assets		
Property, Plant and Equipment	-	-
Inventories	274	85
Cash and Cash Equivalents	1	1
Other Financial Assets	4	4
Sub-Total (A)	**279**	**90**
(B) Liabilities assumed		
Provisions	-	-
Other Liabilities	279	90
Sub-Total (B)	**279**	**90**
Net Identifiable Assets at Fair Value (In Jalaja Rs 5 988/- and Annant Rs 27 698/-)	**0**	**0**

(vi) Calculation of Goodwill / Capital Reserve

(Rs in Lakh)

Particulars	Jalaja Commercials Private Limited	Aanant Commercial Private Limited
Consideration Transferred	-	-
Non-Controlling interest in the acquired entity	-	-
Less: Net Identifiable Assets at Fair Value (In Jalaja Rs 5 988/- and Annant Rs 27 698/-)	0	0
Less: Equity Shares issued with premium against consideration	-	-
Goodwill / (Capital Reserve) {In Jalaja (Rs 5 988/-) and Annant (Rs 27 698/-)}	(0)	(0)

(vii) Amounts recognized for each transaction from acquisition of assets and assumption of liabilities:

(Rs in Lakh)

Particulars	Jalaja Commercials Private Limited	Aanant Commercial Private Limited
Sale of investment	4	4
Expenditure (In Jalaja Rs 10,010/- and Annant Rs 11,497/-)	0	0
Land advance taken/ (repaid)	(5)	(5)
TDS Payable	-	-
Payment to creditors (In Jalaja Rs 8,050/- and Annant Rs 8,050/-)	0	0
Accretion/(decretion) in bank balance	(0)	(0)

(viii) Amount of revenue and profit or loss of acquiree since acquisition date

(Rs in Lakh)

Particulars	Jalaja Commercials Private Limited	Aanant Commercial Private Limited
Revenue (In Jalaja Rs 690/- and Annant Rs Nil)	0	-
Expenditure (In Jalaja Rs 10,700/- and Annant Rs 11,497/-)	0	0
Profit/(Loss) { In Jalaja (Rs. 10,010/-) and Annant (Rs 11,497/-)}	(0)	(0)

(ix) Revenue and profit or loss for the year as if acquisition date was beginning of the year

Particulars	(Amount in Lakh)
Income (Rs 690)	0
Expenditure (Rs 22,197/-)	0
Profit/(Loss) (Loss of Rs 21 507/-)	(0)

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36 For the land purchased by the Company, the Company has formulated its own annuity scheme on voluntary basis for the payment of annuity to land sellers meeting the eligibility criteria and has provided for annuity on annual basis. The amount of undiscounted annuity provision as at 31st March, 2018 is Rs. 2 162 Lakh (Previous year Rs. 1 820 Lakh). In respect of land covered under licensed area and land disposed off by the Company by way of sale/lease/exchange, the Company has decided to pay annuity on yearly basis to land sellers, irrespective of their meeting the eligibility conditions and in such cases, has made the provision for full term of 33 years except for land disposed off through exchange the provision in respect of which is made on annual basis. The amount of undiscounted annuity provision for 33 years as at 31st March, 2018 is Rs.8 355 Lakh (Previous year Rs. 6 703 Lakh). Thus after carrying out the adjustment as required, the discounted amount of annuity provision as on 31st March, 2018 stands at Rs 4 465 Lakh (Previous year Rs. 3 675 Lakh). Such provisions will be re-measured in subsequent years as per the requirement of Indian Accounting Standards.

37 The Company executed long term lease agreements with three of its customers for a period of 99 years. As per the terms of lease, it received one time lease premium and in addition receives lease rentals on annual basis during the lease period. Subsequent to adoption of Indian Accounting Standards with transition date as at 1st April, 2015, it has computed the fair value of lease rentals receivable in future. It has thus gross lease rentals receivable with discounted value of minimum lease payments receivable as at end of each of the reporting period as under:

(Rs in Lakh)

S.N.	Particulars	As at	
		31st March, 2018	31st March 2017
1.	Gross lease rentals receivable	1 515	1 530
2.	Present value of minimum lease payments receivable	87	98
(a)	Not later than one year	10	11
(b)	Later than one year but not later than five years	34	39
(c)	Later than five years	43	48
3.	Unearned Finance Income	1 428	1 432

38 As per the requirement of Ind AS- 37 (provisions, contingent liabilities and contingent assets), following are the details of provisions appearing as on each of the following reporting period:

(Rs In Lakh)

S.N.	Particulars	As at	
		31st March 2018	31st March 2017
1.	Balance at the beginning	3 675	3 554
2.	Add provisions made during the year	2 377	1 639
3.	Less:		
(a)	Amount used/charged against the provisions during the year	1 646	1 559
(b)	Unused amount reversed during the year	-	-
4.	Increase during the year in undiscounted amount arising from unwinding of discounting	59	41
5.	Balance at the end	4 465	3 675

39 **Employee Benefits**

As per Indian Accounting Standard - 19 **"Employee Benefits"** the disclosures as defined are given below:

Defined Contribution Plans:

Contribution to Defined Contribution Plan, recognized as expenses for the year is as under:-

(Rs In Lakh)

	2017-18	2016-17
Employer's Contribution to Provident Fund	33	41
Employer's Contribution to Superannuation Fund	2	2
Employer's Contribution to Pension Scheme	7	7

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Defined Benefit Plan

I. Reconciliation of opening and closing balances of Defined Benefit Obligation

(Rs In Lakh.)

Particulars	Gratuity (Funded)	
	2017-18	2016-17
Defined Benefit Obligation at beginning of the year	125	69
Current Service cost	15	9
Interest Cost	9	5
Actuarial (gain) / loss on obligations due to change in financial assumptions	(3)	2
Actuarial (gain) / loss	(1)	47
Transfer in /(Out)	1	-
Benefits paid	(3)	(7)
Defined Benefit obligation at year end	143	125

II. Reconciliation of opening and closing balances of fair value of Plan Assets

(Rs In Lakh)

Particulars	Gratuity (Funded)	
	2017-18	2016-17
Fair Value of Plan Assets at beginning of the year	125	100
Expected Return on Plan Assets	9	7
Liability Transferred In/Acquisitions	1	-
Actuarial Gain / (Loss)	1	(0)
Employers Contribution	9	25
Benefits paid	(3)	(7)
Fair value of Plan assets at year end	142	125

III. Reconciliation of fair value of Assets and Obligations

(Rs In Lakh.)

Particulars	Gratuity (Funded)	
	2017-18	2016-17
Fair value of Plan Assets	142	125
Present value of Obligation	(143)	(125)
Net (Liability)/Asset Recognized in the Balance Sheet	(1)	-

IV. Expenses recognized during the year

(Rs In Lakh)

Particulars	Gratuity (Funded)	
	2017-18	2016-17
In Income Statement		
Current Service Cost	15	9
Interest Cost	-	(2)
Net Cost	15	7
In Other Comprehensive Income		
Actuarial (Gain) / Loss	(4)	49
Return On Plan Assets	(1)	0
Net (Income)/ Expense For the period Recognized in OCI	(5)	49

V. Investment Details

(Rs In Lakh)

Particulars	Gratuity (Funded)	
	2017-18	2016-17
Insurance Fund	142	125

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VI. Bifurcation of Net Liability

(Rs In Lakh)

Particulars	As on 31st Mar, 2018	As on 31st Mar, 2017
Current Liability (Short Term)	1	-
Non-Current Liability (Long Term)	-	-

VII. Actuarial assumptions

Particulars	Gratuity (Funded)	
	2017-18	2016-17
	2006-08 (Ultimate)	2006-08 (Ultimate)
Expected rate of return on Plan Assets (per annum)	8.00%	7.46%
Discount Rate (per annum)	8.00%	7.46%
Rate of escalation in Salary (per annum)	6.00%	6.00%
Rate of Employee Turnover	2.00%	2.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The Expected Rate of Return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for Plan Assets.

VIII. The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2017-18.

IX. Sensitivity Analysis

Significant Actuarial Assumptions for rate determination of the defined benefit obligation are discount trade, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period , while holding all other assumptions constant. The result of Sensitivity analysis is given below:

(Rs In Lakh)

Particulars	31st March, 2018		31st March, 2017	
Defined Benefit Obligation (Base)	143		125	
Particulars	**As at 31st March, 2018 (Rs)**		**As at 31st March, 2017 (Rs)**	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+0.5%) %age change compared to base due to sensitivity	3 2.2%	3 -2.2%	2 2%	2 -1.8%
Salary growth rate (-/+0.5%) %age change compared to base due to sensitivity	3 -2.2%	3 2.2%	2 -1.9%	2 2%
Attrition rate (-/+ 25%) %age change compared to base due to sensitivity	0 -0.1%	0 0.1%	0 -0.2%	0 0.2%
Mortality Rate (-/+ 10%) %age change compared to base due to sensitivity	0 0.0%	0 0.0%	N/A -	N/A -

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These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk: The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of reporting period on investment with LIC.

Interest risk: A decrease in the interest rate will increase the plan liability; however this will be partially offset by an increase in the return on plan debt investments.

Longevity risk: The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

40 Taxation

(Rs in Lakh)

Particulars	Year ended	
	31st March, 2018	31st March, 2017
Income tax recognized in Statement of profit and loss		
Current tax	-	-
Deferred tax	(132)	(123)

The income tax expenses for the year can be reconciled to the accounting profit as follows:

(Rs in Lakh)

Particulars	Year ended	
	31st March, 2018	31st March, 2017
Profit before tax	(860)	(796)
Applicable tax rate	30.90%	30.90%
Computed tax expense	(266)	(246)
Tax effect of:		
Exempted Income		-
Expenses disallowed	96	112
Additional allowances net of MAT credit	-	-
Current tax provision (A)	(170)	(134)
Incremental deferred tax liability on account of tangible and intangible assets	(11)	3
Incremental deferred tax asset on account of financial assets and other items	(121)	(126)
Deferred tax provision (B)	(132)	(123)
Tax expenses recognized in Statement of Profit and Loss (A+B)	(302)	(257)
Effective tax rate	-	-

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41 The Deferred Tax Liability/Asset comprise of the following:

(Rs *in Lakh*)

	As at 31st March,2017	Charge/(Credit) to profit or loss	Others	As at 31st March,2018
Deferred Tax Liabilities /Asset in relation to				
Property, plant and equipment	5	11	-	16
Financial assets at FVTPL	13	316	-	329
Financial assets at FVTOCI	(780)	(195)	-	(975)
Total	**(762)**	**132**	**-**	**(630)**

42 The figures for the corresponding previous year have been regrouped/ reclassified wherever necessary, to make them comparable.

43 The financial statements were approved for issue by Board of directors on 13th April, 2018.

As per our Report of even date

For and on behalf of the Board

Fo DTS & Associates
Firm Regd No.: 142412W
Chartered Accountants

Anuj Bhatia
Partner
Membership No.- 122179

DTS & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

Shrivallabh Goyal
(Director)
DIN- 00021471

Shanker Adawal
(Director)
DIN- 01039400

Sudhir Jain
(Chief Financial Officer)
Membership No.- 084440

Dheeraj Kandhari
(Company Secretary)
Membership No.- A20934

Place: Mumbai
Date: 13th April, 2018

Place: Gurugram
Date: 13th April, 2018

Place: Gurugram
Date: 13th April, 2018

Model Economic Township Limited Gurgaon