

## DIRECTOR'S REPORT

Dear Shareholders,

Your Directors are pleased to present the Ninth Annual Report together with the Audited Financial Statements of Accounts of the Company Model Economic Township Limited (formerly known as Reliance Haryana SEZ Limited) for the year ended March 31, 2015.

### Financial Performance

The summarized standalone and consolidated results of your Company and its subsidiaries are given in the table below:

Particulars	Rs. in Lacs	
	Financial Year ended	
	Standalone	
	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014
Revenue from operations	688.96	604.20
Compensation/enhanced compensation on compulsory acquisition of land	472.98	-
Interest and other income	415.60	397.67
Provision for Income Tax (including for earlier years)	-	-
Net Profit/(Loss) After Tax	(1475.58)	(64.19)

\*previous year figures have been regrouped/rearranged wherever necessary.

### Summary of Operations

During the year, the total income of your Company increased to Rs. 1,578 Lakh compared to Rs. 1,001 Lakh in the previous year. The increase is mainly on account of enhanced compensation received from Government of Haryana for the land of your company acquired by the Government.

Your Company has applied for license for industrial colony for additional area of about 400 acres adjacent to the existing licensed industrial colonies 1 and 2 to make an integrated colony of around 600 acres. After receipt of license, your Company would initiate full fledged development in the integrated colony and as such pending grant of license, the development activity in the existing colony present has been scaled down. This resulted in booking of lower revenue from operations by Rs. 376 Lakh.

### Business Review/State of the company's affairs

During the year, your company continued to make efforts in land consolidation to make many of the land parcels contiguous for development, engage with Government of Haryana for various approvals/supports including publication of master plan for MET area and to engage with the potential buyers/co-developers/investors to partner with your company for development of the Model Economic Township project. The efforts of your company have started yielding positive results and we hope the ensuing year will be year of activities and business growth.



A joint statement was issued by Hon'ble Minister of State (Independent charge), Ministry of Commerce and Industry, India and Hon'ble Minister of External Trade and Industry, Japan on 30<sup>th</sup> April, 2015 on Action agenda for India-Japan Investment and Trade Promotion and Indo-Pacific Economic integration. The two Ministers decided to take steps to develop "Japan Industrial Townships" in India especially in Delhi Mumbai Industrial Corridor (DMIC) and Chennai Bengaluru Industrial Corridor (CBIC) regions in order to facilitate Japanese investments into India. In this regard, they have identified 11 candidate sites across India for establishment of "Japan Industrial Townships", including Jhajjar in Haryana, where your company is developing its MBT project.

#### **Change of name of the Company**

Name of your Company, after the approval of Central Government, has been changed from Reliance Haryana SEZ Limited to Model Economic Township Limited with effect from 24<sup>th</sup> February, 2015 and it received a certificate of incorporation of the Company to the above effect from Registrar of Companies, Delhi and Haryana.

#### **Events occurred after Balance date**

Receipt of formal order from Hon'ble High Court of Punjab & Haryana and filing of necessary E-form with ROC for making the Scheme effective.

#### **Dividend**

No dividend has been recommended by the Directors during the year.

#### **Details of Board meetings**

During the year, eight number of Board meetings were held, details of which are given below:

<b>Date of the meeting</b>	<b>No. of meeting</b>	<b>No. of Directors attended the meeting</b>	<b>Name of Directors attended the meeting</b>
14 <sup>th</sup> April, 2014	33 <sup>rd</sup> Board Meeting	Two	Shri Shanker Adawal Shri Shrivallabh Goyal
30 <sup>th</sup> April, 2014	34 <sup>th</sup> Board Meeting	Two	Shri Shanker Adawal Shri Shrivallabh Goyal
8 <sup>th</sup> July, 2014	35 <sup>th</sup> Board Meeting	Two	Shri Shanker Adawal Shri Shrivallabh Goyal
6 <sup>th</sup> September, 2014	36 <sup>th</sup> Board Meeting	Two	Shri Shanker Adawal Shri Shrivallabh Goyal
10 <sup>th</sup> October, 2014	37 <sup>th</sup> Board Meeting	Two	Shri Shanker Adawal Shri Ramesh Kumar Damani
20 <sup>th</sup> October, 2014	38 <sup>th</sup> Board Meeting	Two	Shri Shanker Adawal Shri Shrivallabh Goyal
10 <sup>th</sup> November, 2014	39 <sup>th</sup> Board Meeting	Two	Shri Shanker Adawal Shri Shrivallabh Goyal
9 <sup>th</sup> January, 2015	40 <sup>th</sup> Board Meeting	Two	Shri Shanker Adawal Shri Shrivallabh Goyal

#### **Capital/ Finance**

As on 31<sup>st</sup> March, 2015, the issued, subscribed and paid up share capital of your Company stood at Rs. 5 00 000/-, comprising 50 000 Equity shares of Rs.10/- each.



### Extract of Annual Return

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is Annexed as Annexure I.

### Directors' Responsibility Statement

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Statutory Auditors, their Report and Notes to Financial Statements

In the last AGM held on 23<sup>rd</sup> May, 2014, M/s. Chaturvedi and Shah, Chartered Accountants have been appointed Statutory Auditors of the Company to hold office until the conclusion of next annual general meeting.

Further, the report of the Statutory Auditors along with notes to Schedules is enclosed to this report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

### Cost Audit

The Cost Audit as stipulated in the Companies (Audit and Auditors) Rules, 2014 is not applicable to your company.

### Secretarial audit

The Secretarial Audit as required in Section 204 of the Companies Act 2013 is not applicable to your company.



### Related party transactions

All the contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

Your Directors draw attention of the members to Note 36 to the financial statement which sets out related party disclosures.

### Human Resources

Your Company treats its "human resources" as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation, job enrichment training and job enlargement.

### Consolidated Financial Statement

The Company is an intermediate wholly owned Subsidiary of Reliance Ventures Limited and ultimate subsidiary of Reliance Industries Limited and accordingly in view of Ministry of Corporate Affairs Notification No. GSR. 723(E) dated 14<sup>th</sup> October, 2014, the provision related to preparation of Consolidated Financial Statement of the Company and its Subsidiaries are not applicable to the Company and hence not prepared.

### Statement containing salient features of financial statements of subsidiary

Pursuant to sub-section (3) of section 129 of the Act, the statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures is given as Annexure 2.

Further, brief about the business of the Subsidiary of your company is given hereunder:-

- a. Resolute Land Consortium Projects Limited is a wholly owned subsidiary of your company. The company is engaged in the business of land purchase and development of industrial, other infrastructure and land development projects.

Further the annual accounts and related documents of the subsidiary company shall be kept open for inspection at the registered office of the company. The Company will also make available copy thereof upon specific request by any member of the Company interested in obtaining the document.

### Holding and Subsidiaries

Your Company continues to be the Subsidiary of Reliance Ventures Limited, which is wholly owned subsidiary of Reliance Industries Limited.

During the year, Haryana Industrial and Infrastructure Development Corporation Limited sold its 7.5% equity held in the Company to Reliance ventures Limited and as such your company has become wholly owned subsidiary of Reliance Ventures Limited.



Further, the Company has purchased whole of the equity shares of seven private limited companies namely Bhagyashri Mercantile Private Limited, Chitrani Mercantile Private Limited, Gopesh Commercials Private Limited, Nemita Commercials Private Limited, Nisarga Commercials Private Limited, Prakruti Commercials Private Limited and Vijayant Commercials Private Limited and made them wholly owned subsidiaries of your company. Subsequently these companies and your Company filed the scheme of amalgamation merging these seven companies with your company. During the year, both the Hon'ble High Court of Bombay and Punjab and Haryana have approved the scheme with appointed date of 1<sup>st</sup> April, 2014. As per the approved scheme, the paid up share capital of these companies, has been extinguished and cancelled on the scheme taking effect.

#### **Declaration by independent directors**

Your company does not have any Independent Director.

#### **Significant and material orders passed by the regulators**

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

#### **Internal financial controls**

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company. The company has well developed and documented land purchase processes, which is the main activity of the company. The Company's accounts are on ERP namely SAP which is well designed work flows having effective internal checks and controls on various financial transactions.

#### **Directors and Key Managerial Personnel**

Mr. Shanker Adawal (DIN - 01039400), Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for reappointment.

During the year, Mr. Ramesh Kumar Damani (DIN - 00049764) has been appointed as Additional Director, who is to be regularized as Director in the forthcoming annual general meeting.

During the year, Haryana Industrial and Infrastructure Development Corporation Limited withdrew the nomination of Shri Tarun Bajaj (DIN - 02026219), as Director from the Board of your company on 29<sup>th</sup> August, 2014.

Shri Ravi Parthasarathy (DIN- 00002392) and Shri K. Ramchand (DIN- 00051769), Directors resigned from the Board with effect from 3<sup>rd</sup> September, 2014.

#### **Fixed Deposits**

Your Company has not accepted any deposits from public in terms of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules 2014.

#### **Corporate Social Responsibility**

Though the provisions of Section 135 of the Companies Act 2013 are not applicable to the Company, as a part of its social responsibility, it has been undertaking various initiatives in the villages. Its community



engagement programmes include health services through mobile health vans, camps for eye treatment, vet care programmes and woman empowerment programs. The Company has also developed village infrastructure such as construction of village roads, cremation ground upgradation, construction of community centers, provision of water etc. In the field of education, the Company has undertaken school level intervention to upgrade skills, adopted 3 Government run ITIs to improve their programs and other processes. The Company has also arranged job related vocational training programmes for the children of land sellers.

**Particulars of Loans given, Investment made, Guarantees given and Securities Provided**

During the year, the Company made investment of Rs. 1 00 000 each for purchase of whole of the paid up equity share capital of seven private limited companies namely Bhagyashri Mercantile Private Limited, Chitrani Mercantile Private Limited, Gopesh Commercials Private Limited, Nemita Commercials Private Limited, Nisarga Commercials Private Limited, Prakruti Commercials Private Limited and Vijayant Commercials Private Limited and made them wholly owned subsidiaries of your company. The investments were approved by the Board on 20<sup>th</sup> October, 2014 and by special resolution passed in the meeting of the members held on 27<sup>th</sup> October, 2014.

**Particulars of Employees**

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement of particulars of employees is annexed as Annexure 4.

**Details of conservation of energy, technology absorption, foreign exchange earnings and outgo**

**(a) Conservation of energy**

(i)	the steps taken or impact on conservation of energy	Your Company is in the process of development of Model Economic Township Project. During the development, your company will evaluate various energy conservation options and implement them wherever found feasible and thereafter report. As an initial step towards energy conservation measures your Company has installed LED based street lights
(ii)	the steps taken by the company for utilizing alternate sources of energy	
(iii)	the capital investment on energy conservation equipments	

**(b) Technology absorption**

(i)	the efforts made towards technology absorption	Your company will evaluate various technologies for building construction, treatment of water and waste water, power management etc for implementation and absorption during the development for deriving benefits in cost and product development.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	



(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	Not applicable
	(a) the details of technology imported.	
	(b) the year of import;	
	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development.	Nil.

**(c) Foreign exchange earnings and Outgo**

During the year, there is no foreign exchange earnings and expenditure in foreign exchange is nil.

**Acknowledgement**

Your Directors place on record their appreciation for the contribution of employees at all levels towards the growth and performance of your Company.

Your Directors also thank the clients, vendors, bankers, shareholders and advisers of the Company for their continued support.

Your Directors also thank the Central and State Governments, and other statutory authorities for their continued support.

For and on behalf of the Board

For Model Economic Township Limited



*[Handwritten signature]*

Chairman

Date: 11<sup>th</sup> May, 2015  
Place : Gurgaon

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**

Model Economic Township Limited  
As on 31<sup>st</sup> March, 2015

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

**I. REGISTRATION AND OTHER DETAILS:**

(i) CIN : U70109HR2007PLC036416

(ii) Registration Date: 9<sup>th</sup> October, 2006

(iii) Name of the Company: Model Economic Township Limited, (Formerly known as Reliance Haryana SEZ Limited)

(iv) Category / Sub-Category of the Company: Public Limited Company limited by share

(v) Address of the Registered Office: 3<sup>rd</sup> Floor, 77-B, IFFCO Road, Sector-18, Gurgaon- 122015  
Contact No. : 0124-4827369

(vi) Whether listed company No

(vii) Registrar & Transfer Agents (RTA): Karvy Computershare Private Limited

Address: Plot No. 17 to 24, Vithalrao Nagar, Madhapur, Hyderabad- 500081  
Contact No- 040-44655070-5099

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
I.	Land Development	Division 68 Real estate activities Group 681 Real estate activities with own or leased property	89%





III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. NO.	Name and Address of the company	CIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	Reliance Ventures Limited (Including nominees)	U24120MH1999PLC 121009	Holding Company	100%	Section 2(87)
2.	Resolute Land Consortium Projects Limited (Including nominees)	U45400HR2007PL C037102	Subsidiary Company	100%	Section 2(87)

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	-	-	-	-	-	-	-	-	-
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s) undertaking	-	3750	3750	7.5%	-	-	-	-	-
(d) Bodies Corp.	-	46250	46250	92.5%	50000	-	50000	100%	7.5%
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total	-	50000	50000	100%	50000	-	50000	100%	
<b>(A) (1):-</b>									
<b>(2) Foreign</b>									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-
<b>(A) (2):-</b>									
<b>Total shareholding of Promoter (A) =</b>	-	<b>50000</b>	<b>50000</b>	<b>100%</b>	<b>50000</b>	-	<b>50000</b>	<b>100%</b>	



(A)(1)+(A)(2)										
<b>B. Public Shareholding</b>										
<b>I. Institutions</b>										
(a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
(b) Banks / FI	-	-	-	-	-	-	-	-	-	-
(c) Central Govt	-	-	-	-	-	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
(g) FIs	-	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>										
<b>2. Non Institutions</b>										
(a) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
(i) Indian	-	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-	-
(b) Individuals	-	-	-	-	-	-	-	-	-	-
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-	-
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-	-
(c) Others (specify)	-	-	-	-	-	-	-	-	-	-
<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>	-	50000	50000	100%	50000	-	50000	100%	7.5%	



**(ii) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change In share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Reliance Ventures Limited	46250	92.50%	NIL	50000	100%	NIL	7.5%
2.	Haryana State Industrial Infrastructure Development Corporation Limited	3750	7.5%	NIL	-	-	-	-

**(iii) (A) Change in Promoters' Shareholding**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3750	7.5%		
Date of Increase / Decrease	Name of the Promoters	No. of shares	% of total shares of the company	Increase /Decrease in shareholding	Reasons for Increase/ Decrease
06/09/2014	Haryana State Industrial Infrastructure Development Corporation Limited (HSIIDC)	3750	7.5%	Decrease in shares by 7.5%	Transfer of Shares to RVL
	At the end of the year	Nil	0		



**(iii) (B) Change in Promoters' Shareholding**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	46250	92.50%		
Date of Increase / Decrease	Name of the Promoters	No. of shares	% of total shares of the company	Increase /Decrease in shareholding	Reasons for Increase/ Decrease
06/09/2014	Reliance ventures Limited (RVL)	3750	7.5%	Increase in shares by 7.5%	Transfer of share by HSIIDC
	At the end of the year	50000	100%		

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and 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
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year ( or on the date of separation, if Separated during the year)	NIL			



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

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year 1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>At the beginning of the year</b>					
1.	Shri Adawal Shanker nominee of Reliance Ventures Limited	10	0.02%	10	0.02%
2.	Shri Shrivallabh Goyal nominee of Reliance Ventures Limited	10	0.02%	10	0.02%
<b>Increase / Decrease during the year</b>		<b>- Nil</b>			
<b>At the end of the year</b>					
1.	Shri Adawal Shanker nominee of Reliance Ventures Limited	10	0.02%	Nil	0.02%
2.	Shri Shrivallabh Goyal nominee of Reliance Ventures Limited	10	0.02%	Nil	0.02%

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>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	4767 72 00 000	-	47,677,200,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	367 52 53 058	-	3,675,253,058
<b>Total (i+ii+iii)</b>	-	5135 24 53 058	-	51,352,453,058
<b>Change in Indebtedness during the financial year</b>				
• Addition (Principal Amount)	-	463 52 00 000	-	463 52 00 000
• Reduction (Principal Amount)	-	360 00 00 000	-	360 00 00 000
• Addition (Interest Amount)	-	619 60 07 521	-	619 60 07 521



•Reduction (Interest Amount)	-	367 52 53 058	-	367 52 53 058
Net Change (Principal Amount)	-	103 52 00 000	-	103 52 00 000
Net Change (Interest accrued but not due)	-	252 07 54 463	-	252 07 54 463
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount		4871 24 00 000	-	-
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due		619 60 07 521	-	-
<b>Total (i+ii+iii)</b>		<b>5490 84 07 521</b>	<b>-</b>	<b>5490 84 07 521</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1.	Gross salary  (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under	<b>NOT APPLICABLE</b>				
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - as % of profit - others, specify...					
5.	Others, please specify					
	Total (A)					
	Ceiling as per the Act					



**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
	1. Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	<b>NOT APPLICABLE</b>	
	Total (1)		
	2. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify		
	Total (2)		
	Total (B)=(1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	<b>NOT APPLICABLE</b>			
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit - others, specify...				
5	Others, please specify				
	Total				

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies	Brief Description	Details of Penalty /	Authority [RD/	Appeal made,



	Act		Punishment/ Compounding fees imposed	NCLT / COURT]	if any (give Details)
<b>A. COMPANY</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			Nil		
Compounding					





Annexure 2

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

Not applicable

2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship

(b) Nature of contracts/arrangements/transactions

(c) Duration of the contracts / arrangements/transactions

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

(e) Date(s) of approval by the Board, if any:

(f) Amount paid as advances, if any:

The details are as per appendix A.



S. N.	Name of the Related Party	Relationship	Nature of Contracts/arrangement s/transaction	Duration of Contracts/arrangements/transaction	Salient terms of the contract or arrangement or transactions including the value if any	Date(s) of approval by the board, if any	Any amount paid as advance, if any
1	Reliance Ventures Limited (RVL)	Holding Company	Unsecured Loan	Loan agreement	Interest at 12.% pa payable to RIIHL	Not required	No
2	Reliance Industries Limited	Holding Company of RVL	Sale of plot	Long term lease	As per negotiated terms of long term agreement	Not required	No
3	Haryana State Industrial & Infrastructure Development Corporation Limited (till 29/08/2014)	Joint Promoter of the Company	Lease rent for land Transfer of land	JV Agreement Conveyance deed	Lease rent at Rs. 19 Lakh pa for 2.6125 acres of land Transfer of land at the price given in JVA, which is the basic price of land at which the land was take from HSIIDC in April, 2007	Not required	Rs. 5 66 40 220
4	Resolute Land Consortium Projects Limited (Formerly known as Model Economic Township Ltd.)	Subsidiary Company	Investment	-	-	Not required	No
5	Reliance Jio Infocomm Limited	Fellow Subsidiary	Sale of assets	Sale at negotiate prices		Not required	No
6	Reliance Retail Limited	Fellow Subsidiary	Purchase of office items			Not required	Rs 2000
7	Office Depot Reliance Supply Solutions Private Limited	Fellow Subsidiary	Purchase of office items	Routine day to day transactions		Not required	No
8	Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary	Unsecured Loan	Loan agreement	Interest at 12.5% pa. Repayment in three years with early repayment option with borrower	Not required	No
9	Sh. Shanker	Key	Director	Director	-	Not required	No



	Adawal	Managerial Personnel	Sitting Fees				
10	Sh. Shrivallabh Goyal	Key Managerial Personnel	Director Sitting Fees	Director		Not required	No



Annexure 3

**Statement containing salient features of the financial statement of subsidiaries/  
associate companies/ joint ventures**

**Part "A": Subsidiaries**

Name of the subsidiary	Resolute Land Consortium Projects Limited
1. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 <sup>st</sup> April 2014 to 31 <sup>st</sup> March, 2015
2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
3. Share capital	Rs. 5 00 000
4. Reserves & surplus	Rs. (55 639)
5. Total assets	Rs. 4 71 104
6. Total Liabilities	Rs. 4 71 104
7. Investments	Nil
8. Turnover	Nil
9. Profit before taxation	Rs. (4 803)
10. Provision for taxation	Nil
11. Profit after taxation	Rs. (4803)
12. Proposed Dividend	Nil
13. % of shareholding	100%

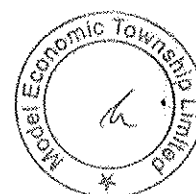
The following information shall be furnished:-

1. Names of subsidiaries which are yet to commence operations

Nil

2. Names of subsidiaries which have been liquidated or sold during the year.

Seven wholly owned subsidiary companies namely Bhagyashri Mercantile Private Limited, Chitrani Mercantile Private Limited, Gopesh Commercials Private Limited, Nemita Commercials Private Limited, Nisarga Commercials Private Limited, Prakruti Commercials Private Limited and Vijayant Commercials Private Limited were amalgamated with the company under scheme of Amalgamation approved by Hon'ble High Courts of Bombay and Punjab and Haryana.



## DIRECTOR'S REPORT

Dear Shareholders,

Your Directors are pleased to present the Tenth Annual Report together with the Audited Financial Statements of Accounts of the Company Model Economic Township Limited (formerly known as Reliance Haryana SEZ Limited) for the year ended March 31, 2016.

### Financial Performance

The summarized standalone a results of your Company is given in the table below:

Particulars	Rs. in Lacs	
	Financial Year ended	
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
Revenue from operations	11606.62	688.96
Compensation/enhanced compensation on compulsory acquisition of land	81.97	472.98
Interest and other income	68.35	415.60
Provision for Income Tax (including for earlier years)	(3.02)	-
Net Profit/(Loss) After Tax	(147.81)	(1475.58)
Less: Appropriations	-	-
Amount Transferred to Reserve	-	-
Balance Carried to Balance Sheet	(147.81)	(1475.58)

\*previous year figures have been regrouped/rearranged wherever necessary.

### Summary of Operations

During the year, the total income of your Company increased to Rs. 11,756 Lakh compared to Rs. 1,578 Lakh in the previous year. The increase is mainly on account of sale of 109 acres of un-developed land to a developer.

Your Company has applied for license for industrial colony for additional area of 439.75 acres adjacent to the existing licensed industrial colonies 1 and 2 to make an integrated colony of around 640.85 acres. After receipt of license, your Company would initiate development in the integrated colony.

### Business Review/State of the company's affairs

During the year, your company continued to make efforts in land consolidation to make many of the land parcels contiguous for development, engage with Government of Haryana (GoH) for various approvals/supports and to engage with the potential buyers/co-developers/investors to partner with your company for development of the Model Economic Township project. The efforts of your company have started yielding positive results and we hope the ensuing year will be year of activities and business growth.

A joint statement was issued by Hon'ble Minister of State (Independent charge), Ministry of Commerce and Industry, India and Hon'ble Minister of External Trade and Industry, Japan on 28<sup>th</sup> April, 2015 on Action agenda for India-Japan Investment and Trade Promotion and Indo-Pacific Economic integration. The two Ministers decided to take steps to develop "Japan Industrial Townships" in India especially in Delhi Mumbai Industrial Corridor (DMIC) and Chennai Bengaluru Industrial Corridor (CBIC) regions in order to facilitate Japanese investments into India. In this regard, they have identified 11 candidate sites across India for establishment of "Japan Industrial Townships", including Jhajjar in Haryana, where your company is developing its MET project.

Your Company has been able to create a base platform to enable launch of the MET project to the next level of visible development, having gained recognition of the Government of Haryana, significant progress with respect to sale/ development of each land parcel of four corners and obtaining various infrastructure approvals.

### **Infrastructure Approvals**

Your Company has obtained in-principal approval for 220 KV sub-station and electrification plan approval for the first phase and renewal of Ground water approval received for 3.38 MLD. Surface water approval now at final stage with GoH.

### **Capital/ Finance**

During the year your Directors allotted 9 96 50 000 equity shares as right shares to Reliance ventures Limited. After the allotment, the issued, subscribed and paid up share capital of your Company stood at Rs. 97 00 00 000/-, comprising 9 70 00 000 Equity shares of Rs.10/- each.

### **Dividend**

No dividend has been recommended by the Directors during the year.

### **Holding and Subsidiaries**

Your Company continues to be the Subsidiary of Reliance Ventures Limited, which is wholly owned subsidiary of Reliance Industries Limited.

During the year, your Directors approved the dis-investment in equity shares of Resolute Land Consortium Projects Limited by 75% and as such this company ceases to be subsidiary of your company with effect from 29<sup>th</sup> February, 2016.

### **Directors' Responsibility Statement**

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for the year ended on that period;

- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **Contracts and Arrangement with Related party transactions**

All the contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

As required under section 188 of the Companies Act 2013, your Directors, based on the recommendations of Audit Committee in their 49<sup>th</sup> meeting held on 11<sup>th</sup> January, 2016, approved the omnibus policy on related party transaction of the Company, outlining the procedure for approval.

Your Directors draw attention of the members to Note 33 to the financial statements which set out related party disclosures.

#### **Risk Management**

Your Directors, based on the recommendations of Audit Committee approved the Risk Management framework of the Company which outlines the objectives, scope, process and monitoring mechanism for risk management in the Company.

During the year, your Directors constituted Business Risk and Assurance Committee consisting of Heads of each of the function to (a) monitor risk and effectiveness of risk management; (b) review the effectiveness of control system to minimize/mitigate the risk; (c) report adequacy of internal control systems and process and their effectiveness of implementation. The Committee is required to oversee that all the risk that the organization faces, such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory and other risk, had been identified and assessed and there is an adequate risk management infrastructure in place capable for addressing those risk.

The company manages monitors and reports on principal risk and uncertainties that can impact its ability to achieve its strategic objectives. Your company has made out detailed standard operating procedures and identified various risk associated with each of its activity / sub-activity along with mitigation approach. Your company has implemented legal compliance portal where various compliances under the applicable laws have been uploaded to avoid occurrence of any non-compliance

#### **Internal Financial Controls**

Your 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 designs or operations were observed.

#### **Directors and Key Managerial Personnel**

In accordance with the provision of the Companies Act, 2013 and the Articles of Association of company Shri Shrivallabh Goyal, Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offered himself for re-appointment.

During the year under review, the members regularized the appointment of Shri Ramesh Damani as non-executive Director Non-Independent Director, who is liable to retire by rotation. The members have approved the appointment of Shri Anil Sharma and Shri Kishore Sinha as Independent Directors of the Company who are not liable to retire by rotation.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the appointment of Shri Shrivallabh Goyal, as Whole Time Director, Shri Sudhir Jain, as Chief Financial Officer and Shri Dheeraj Kandhari, as a Company Secretary (Key managerial personnel) were formalized.

The Company has received declaration from all the independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013.

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive and executive Directors.

The Company has also implemented a system of evaluating performance of the Board of Directors and of its Committees and individual Directors on the basis of a structured questionnaire which comprise evaluation criteria taking into consideration various performance aspect.

The program for familiarization were undertaken of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters.

The following policies of the Company are attached herewith marked as Annexure I and Annexure II.

- a) Policy for selection of Directors and determining Directors independence
- b) Remuneration Policy for Directors, Key Managerial personnel and other employees

## AUDITORS AND AUDITORS REPORT

### Statutory Auditors, their Report and Notes to Financial Statements

In the last AGM held on 16<sup>th</sup> June, 2015, M/s. Chaturvedi and Shah, Chartered Accountants have been appointed Statutory Auditors of the Company to hold office until the conclusion of next annual general meeting.

Further, the report of the Statutory Auditors along with notes to Schedules is enclosed to this report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Your Directors recommend the appointment of M/s Chaturvedi and Shah, Chartered Accountants as Statutory Auditors of the Company for a period of One year.

### Cost Audit

The Cost Audit, as stipulated in the Companies (Audit and Auditors) Rules, 2014 is not applicable to your company.



## Secretarial audit

As required in Section 204 of the Companies Act 2013, your Directors, in their 45<sup>th</sup> meeting held on 10<sup>th</sup> July, 2015, appointed M/s P.J. & Associates, Practicing Company Secretaries, as Secretarial Auditors of the Company to conduct the secretarial audit of the company for the year 2015-16.

The Secretarial Audit report for the year 2015-16, with no material observation, is annexed herewith as Annexure III to this report.

## Internal Audit

During the year your Board had appointed M/s RRCA & Associates, Chartered Accounts as Internal Auditors to conduct internal audit of the Company. The scope of the internal audit covers all the business activities, including transaction Audit and Tax compliances. The internal Auditors have also reviewed the internal financial control systems established by the Company and have reported that these systems are adequate and working effectively.

## DISCLOSURES

### Details of Board meetings

During the year, eight number of Board meetings were held, details of which are given below:

Date of the meeting	No. of meeting	No. of Directors attended the meeting	Name of Directors attended the meeting
8 <sup>th</sup> April, 2015	41 <sup>st</sup>	2	Shri Shanker Adawal Shri Shrivallabh Goyal
11 <sup>th</sup> May, 2015	42 <sup>nd</sup>	2	Shri Shanker Adawal Shri Shrivallabh Goyal
18 <sup>th</sup> May, 2015	43 <sup>rd</sup>	2	Shri Shanker Adawal Shri Shrivallabh Goyal
15 <sup>th</sup> June, 2015	44 <sup>th</sup>	2	Shri Shanker Adawal Shri Shrivallabh Goyal
10 <sup>th</sup> July, 2015	45 <sup>th</sup>	2	Shri Shanker Adawal Shri Shrivallabh Goyal
26 <sup>th</sup> August, 2015	46 <sup>th</sup>	3	Shri Shrivallabh Goyal Shri Kishore Sinha Shri Anil Sharma
12 <sup>th</sup> October, 2015	47 <sup>th</sup>	4	Shri Shrivallabh Goyal Shri Kishore Sinha Shri Anil Sharma Shri Ramesh Damani
5 <sup>th</sup> December, 2015	48 <sup>th</sup>	3	Shri Shanker Adawal Shri Kishore Sinha Shri Anil Sharma
11 <sup>th</sup> January, 2016	49 <sup>th</sup>	3	Shri Shrivallabh Goyal Shri Kishore Sinha Shri Anil Sharma
31 <sup>st</sup> March, 2016	50 <sup>th</sup>	3	Shri Shrivallabh Goyal Shri Kishore Sinha Shri Anil Sharma

6.4.

## Board Committees

As required by sections 177 and 178 of the Companies Act 2013, your Directors constituted two Board Committees namely Audit Committee and Nominations and remuneration Committee at their 46<sup>th</sup> meeting held on 26<sup>th</sup> August, 2015, which has following composition of members:

### Audit Committee

S.N.	Name of Director	Status in Committee
1.	Shri Shrivallabh Goyal	Chairman
2.	Shri Kishore Sinha	Member
3.	Shri Anil Kumar Sharma	Member

The terms of reference of Audit Committee is as per Annexure IV.

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

### Nominations and remuneration Committee

S.N.	Name of Director	Status in Committee
1.	Shri Kishore Sinha	Chairman
2.	Shri Shanker Adawal	Member
3.	Shri Anil Kumar Sharma	Member

The terms of reference of Nomination and Remuneration Committee is as per Annexure V.

### Details of Committee meetings

#### Audit Committee

Date of the meeting	No. of meeting	No. of Directors attended the meeting	Name of Directors attended the meeting
12 <sup>th</sup> October, 2015	1	3	Shri Shrivallabh Goyal Shri Kishore Sinha Shri Anil Sharma
11 <sup>th</sup> January, 2016	2	3	Shri Shrivallabh Goyal Shri Kishore Sinha Shri Anil Sharma
31 <sup>st</sup> March, 2016	3	3	Shri Shrivallabh Goyal Shri Kishore Sinha Shri Anil Sharma

#### Nomination and Remuneration Committee

Date of the meeting	No. of meeting	No. of Directors attended the meeting	Name of Directors attended the meeting
12 <sup>th</sup> October, 2015	1	2	Shri Kishore Sinha

5 <sup>th</sup> December, 2015	2	3	Shri Anil Sharma Shri Kishore Sinha Shri Shanker Adawal Shri Anil Sharma
11 <sup>th</sup> January, 2016	3	3	Shri Kishore Sinha Shri Shanker Adawal Shri Anil Sharma

### Corporate Social Responsibility

Though the provisions of Section 135 of the Companies Act 2013 are not applicable to the Company, as a part of its social responsibility, it has been undertaking various initiatives in the villages. Its community engagement programs include health services through mobile health vans, camps for eye treatment, vet care programs and woman empowerment programs. The Company has also developed village infrastructure such as construction of village roads, cremation ground upgradation, construction of community centers, provision of water etc. In the field of education, the Company has undertaken school level intervention to upgrade skills, adopted 3 Government run ITIs to improve their programs and other processes. The Company has also arranged job related vocational training programmes for the children of land sellers.

### Details of conservation of energy, technology absorption, foreign exchange earnings and outgo

#### (a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	Your Company is in the process of development of Model Economic Township Project. During the development, your company will evaluate various energy conservation options and implement them wherever found feasible and thereafter report. As an initial step towards energy conservation measures your Company has installed LED based street lights
(ii)	the steps taken by the company for utilizing alternate sources of energy	
(iii)	the capital investment on energy conservation equipments	

#### (b) Technology absorption

(i)	the efforts made towards technology absorption	Your company will evaluate various technologies for building construction, treatment of water and waste water, power management etc for implementation and absorption during the development for deriving benefits in cost and product development.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported (b) the year of import;	Not applicable

	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	Nil

### (c) Foreign exchange earnings and Outgo

During the year, the foreign exchange expenditure is Rs 6 70 560

### Extract of Annual Return

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is Annexed as **Annexure VI**.

### Human Resources

Your Company treats its "human resources" as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation, job enrichment training and job enlargement.

### Particulars of Employees and related disclosures

Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the statement of particulars of employees is annexed as **Annexure VII**.

### General

Your Director state that no disclosure or reporting is required in respect of the following items, as there were no transactions on these items during the year under review:

- a) Details relating to Deposits covered under Chapter-V of the Companies Act, 2013.
- b) Issue of Equity shares with differential rights as to dividend, voting or otherwise.
- c) The company has not given any loans, made any investment, given any guarantees or provided any securities in terms of Section 186 of the Companies Act, 2013.
- d) The Whole time Director of the Company has not received any remuneration or commission from any of its subsidiaries.
- e) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

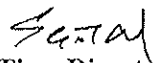
### Acknowledgement

Your Directors place on record their appreciation for the contribution of employees at all levels towards the growth and performance of your Company.

Your Directors also thank the clients, vendors, bankers, shareholders and advisers of the Company for their continued support.

Your Directors also thank the Central and State Governments, and other statutory authorities for their continued support.

For and on behalf of the Board  
For Model Economic Township Limited

  
Whole Time Director      Director

Date: 9<sup>th</sup> April, 2016  
Place : Gurgaon

## Policy for Selection of Directors and determining Directors' independence

### Introduction

Model Economic Township Limited (MET) believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, MET ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.

MET recognizes the importance of Independent Directors in achieving the effectiveness of the Board. MET aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

### Scope and Exclusion:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

### Terms and References:

In this Policy, the following terms, which have been defined in the Companies Act 2013 shall have same meanings as under:

Section 2 (34)- "Director" means a director appointed to the Board of a company.

Section 178 (1)- "Nomination and Remuneration Committee" means the committee constituted by MET's Board in accordance with the provisions of the Act.

Section 149 (6)- "Independent Director" means a director referred to in the Companies Act, 2013.

### Policy

#### Qualifications and selection criteria

The Committee and the Board shall review on annual basis appropriate skills, knowledge and experience required of its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's operations.

In evaluating the suitability of individual Board members, the Committee may take into account factors, such as:

- General understanding of the Company's business dynamics, global business and social perspective;
- Educational and professional background Standing in the profession;

- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

The proposed appointee shall fulfill the following requirements:

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his written consent to act as a Director;
- Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing Agreements and other relevant laws.

#### **Criteria of Independence**

The Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

The criteria of independence, as laid down in Companies Act, 2013 is as below:

- (i) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (ii) who is or was not a promoter of the company or its holding, subsidiary or associate company;
- (iii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (iv) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

- (v) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (vi) who, neither himself nor any of his relatives—
  - (a) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
  - (c) holds together with his relatives two per cent or more of the total voting power of the company; or
  - (d) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
  - (e) is a material supplier, service provider or customer or a lessor or lessee of the company.
- (vii) shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
- (viii) shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
- (ix) who is not less than 21 years of age.

The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

#### **Other directorships / committee memberships**

- (i) The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their



directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board;

- (ii) A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies;
- (iii) A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company;
- (iv) A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships.

For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

## Remuneration Policy for Directors, Key Managerial Personnel and other employees

### Introduction

Model Economic Township Limited (MET) recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Reward philosophy of the Company is to provide market competitive total reward opportunity that has a strong linkage to and reinforces the performance culture of the Company. The ultimate objective is to gain competitive advantage by creating a reward proposition that inspires employees to deliver company's promise to consumers and achieve superior operational results. The guiding principles for this policy are:

- (i) Open, fair, consistent, simple and explainable;
- (ii) The level and composition of remuneration is competitive, reasonable and aligned to market practices and tends to attract, retain and motivate talent required to run the company successfully and ensure long term sustainability;
- (iii) The remuneration has fair balance between fixed and variable pay reflecting short and long term performance objective's appropriate to the working of the company and its goals;
- (iv) The remuneration is linked to key deliverables, appropriate performance benchmarks and metrics and varies with performance and achievement;
- (v) Alignment of performance metrics with business plans and strategy, corporate performance targets and interests with stakeholder;
- (vi) Quantitate and qualitative assessment of performance are used to making informed judgments to evaluate performance;
- (vii) Sufficiently, flexible to take into account future changes in industry and compensation practice; and
- (viii) The pay takes into account both external market and company conditions to a balanced fair outcome;

### Scope and Exclusion

This Policy sets out the above guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

### Definitions

In this Policy, the definitions of the terms shall have the same meanings as defined in the Companies Act 2013 as under:

Section 2 (34) - "Director" means a director appointed to the Board of the Company.

Section 2 (51)- "Key Managerial Personnel" means

- (i) the Chief Executive Officer or the Managing Director or the manager;
- (ii) the Company Secretary;
- (iii) the Whole-Time Director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed under the Companies Act, 2013

Section 178 (1)- "Nomination and Remuneration Committee" means the committee constituted by Board of the Company in accordance with the provisions of the Act.

### **Policy**

#### **Remuneration to Executive Directors and Key Managerial Personnel**

The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Executive Directors and Key Managerial Personnel of the Company subject to the applicable limits set out in Schedule V of the Act.

The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors)
- (v) Retiral benefits
- (vi) Annual Performance Bonus

The Annual Plan and Objectives for Executive Directors and Senior Executives shall be reviewed by the Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

#### **Remuneration to Non-Executive Directors**

Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.

#### **Remuneration to other employees**

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs. The annual performance shall be evaluated based on the actual performance vis-à-vis the annual goals set for them in the beginning of the year.

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016

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

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016

To,

The Members,

**Model Economic Township Limited**

*(Formerly known as Reliance Haryana SEZ Limited)*

(U70109HR2006PLC036416)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Model Economic Township 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 my opinion thereon.

Based on our verification of the Company, books, papers, minute 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, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016, the Company has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent based on the management representation letter/ confirmation, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016, according to the provisions of:

- i. The Companies Act, 2013 (‘the Act’) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder; (N.A.)
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (N.A.)
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (N.A.)
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (N.A.)
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (N.A.)
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (N.A.)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (N.A.)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (N.A.)
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (N.A.)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (N.A.)
- vi. With respect to the below mentioned laws which are specifically applicable on the Company we have relied on the compliance certificates shared by the concerned department head:
- Income Tax Act, 1961 and applicable rules
  - The Finance Act 1994
  - Haryana Value Added Tax Act, 2003 and applicable rules
  - Micro Small and Medium Enterprises Development Act, 2006
  - Negotiable Instruments Act, 1881
  - Land Acquisition Act, 1894 and related laws
  - National Building Code of India, 2005
  - Applicable Environment Laws
  - Applicable Labour Laws
  - Sexual Harassment Of Women At Workplace (prevention, Prohibition & Redressal) Act, 2013

- Indian Stamp Act, 1899
- Haryana Municipal Corporation Act 1973
- Haryana Utilization of Surplus and Other Area Act 1976
- Haryana Development and Regulation of Urban Area Act 1975
- Haryana Urban Development Authority Act 1977
- Haryana Canal And Drainage Act 1974 and Rules
- The Punjab Scheduled Roads and Controlled Areas Restriction Of Unregulated Development Act, 1963, (Punjab Act No. 41 of 1963)
- The Haryana Canal and Drainage Act, 1974
- The Haryana Fire Service Act, 2009

I/we have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s), if applicable; (N.A.)

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

- Stamp duty on equity shares issued on right basis has not been paid.
- Details under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 have not been disclosed in the Directors Report for the Financial Year 2014-15. However, as informed to us, the Company has framed the Committee as prescribed under the said Act and no case involving sexual harassment has been reported.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 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.

**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. The Company has deployed a compliance management system to monitor the compliances applicable on it.

**We further report that** during the audit period the company has following major events took place in the Company:-

1. The Company has raised its paid up capital from Rs. 5, 00,000 to Rs. 9, 70,000,000 by issuing equity shares to their existing shareholders.
2. The Scheme of Amalgamation for merging seven (7) of its wholly owned subsidiaries into the Company approved by the Hon'ble High Court on March 31, 2015, became effective from May 4, 2015.

**For PI & Associates,  
Company Secretaries**

**Sd/-**

**(Authorised Signatory)**

Place: New Delhi

Date: 7<sup>th</sup> April, 2016

The term of reference of the Audit Committee includes:

- (i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (ii) The recommendation for appointment, reappointment, remuneration and terms of appointment of the auditors of the Company;
- (iii) Recommending to the Board, the replacement or removal of Statutory Auditors including Cost Auditors;
- (iv) Review and monitor the auditor's independence and performance and effectiveness of audit process;
- (v) Examination of the financial statement and the auditor's report thereon;
- (vi) Approval or any subsequent modification of transactions of the Company with related parties;
- (vii) Scrutiny of inter- corporate loans and investments;
- (viii) Valuation of undertakings or assets of the company, whenever it is necessary;
- (ix) Evaluation of internal financial controls and risk management systems;
- (x) Monitoring the end use of funds raised through public offers and related matters;
- (xi) Approval of payment to Statutory Auditors including Cost Auditors for any other services rendered by them;
- (xii) To call for the comments of the auditors about internal control systems, scope of audit, observations of auditors;
- (xiii) Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by the management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of related party transactions;
  - (g) Qualifications in draft audit report.



- (xiv) Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- (xv) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (xvi) Reviewing with the management, the performance of Statutory Auditors including Cost Auditors and Internal Auditors;
- (xvii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department; staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- (xviii) Discussion with Internal Auditors, any significant findings and follow up thereon;
- (xix) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (xx) Discussion with Statutory Auditors including Cost Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- (xxi) To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
- (xxii) To review the functioning of the Whistle Blower Mechanism, if applicable;
- (xxiii) Approval of appointment of CFO (i.e. the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (xxiv) Carrying out such other functions as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company;
- (xxv) To review the following information:
  - (a) The management discussion and analysis of financial condition and results of operations;
  - (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - (c) Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
  - (d) Internal audit reports relating to internal control weaknesses; and
  - (e) The appointment, removal and terms of remuneration of Internal Auditors.
- (xxvi) Reviewing the financial statements and in particular the investments made by the unlisted subsidiaries of the Company.

## Annexure V

The terms of reference of the Nomination and Remuneration Committee are as under:

- (i) To identify persons who are qualified to become directors in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal;
- (ii) To identify persons who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal;
- (iii) To carry out evaluation of every director's performance;
- (iv) To establish criteria and processes for and assist the Board and each of its Committees in their performance evaluations;
- (v) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- (vi) To recommend / review remuneration of the Managing Director(s) and Whole-time Director(s), if any, based on their performance and defined assessment criteria.
- (vii) To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme, if any, including:
  - (a) the quantum of options to be granted under Employees' Stock Option Scheme per employee and in aggregate;
  - (b) the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
  - (c) the exercise period within which the employee should exercise the option and that the option would lapse on failure to exercise the option within the exercise period;
  - (d) the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
  - (e) the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
  - (f) the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others;

- (g) the granting, vesting and exercising of options in case of employees who are on long leave; and the procedure for cashless exercise of options.
- (viii) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- (ix) To perform such other functions as may be necessary or appropriate for the performance of its duties.
- (x) The Committee shall, while formulating the policy as per clause (v) above ensure that:
  - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

Model Economic Township Limited  
As on 31<sup>st</sup> March, 2016

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

**I. REGISTRATION AND OTHER DETAILS:**

(i) CIN : U70109HR2007PLC036416

(ii) Registration Date: 9<sup>th</sup> October, 2006

(iii) Name of the Company: Model Economic Township Limited, (Formerly known as Reliance Haryana SEZ Limited)

(iv) Category / Sub-Category of the Company: Public Company / Limited by share

(v) Address of the Registered Office: 3<sup>rd</sup> Floor, 77-B, IFFCO Road, Sector-18, Gurgaon- 122015  
Contact No. : 0124-4827369

(vi) Whether listed company No

(vii) Registrar & Transfer Agents (RTA): Karvy Computershare Private Limited  
Address: 6<sup>th</sup> Floor, Karvy Selenium Tower B , Plot 31-32 , Gachibowli,  
Financial District Nanakramguda, Hyderabad - 500 032  
Contact No- 040- 67161717

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Land Development	Division 68 Real estate activities Group 681 Real estate activities with own or leased property	89%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S. NO	Name and Address of the company	CIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	Reliance Ventures Limited (Including nominees)	U24120MH1999PLC 121009	Holding Company	100%	Section 2(87)

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

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/ HUF	-	-	-	-	-	-	-	-	
(b) Central Govt	-	-	-	-	-	-	-	-	
(c) State Govt (s) undertaking	-	-	-	-	-	-	-	-	
(d) Bodies Corp.	-	50000	50000	100%	96999949	51	970000000	100%	.....
(e) Banks / FI	-	-	-	-	-	-	-	-	
(f) Any Other	-	-	-	-	-	-	-	-	
<b>Sub-total (A) (1):-</b>	-	<b>50000</b>	<b>50000</b>	<b>100%</b>	<b>96999949</b>	<b>51</b>	<b>970000000</b>	<b>100%</b>	<b>.....</b>
<b>(2) Foreign</b>									
(a) NRIs - 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>	-	<b>50000</b>	<b>50000</b>	<b>100%</b>	<b>96999949</b>	<b>51</b>	<b>970000000</b>	<b>100%</b>	<b>.....</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	-	-	-	-	-	-	-	-	

(b) Banks / FI	-	-	-	-	-	-	-	-	-
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>									
<b>2. Non Institutions</b>									
(a) Bodies Corp.	-	-	-	-	-	-	-	-	-
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals	-	-	-	-	-	-	-	-	-
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
(c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b> Total Public Shareholding <b>(B)=(B)(1)+(B)(2)</b>									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	-	50000	50000	100%	96999949	51	970000000	100%	194

**(ii) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change In share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Reliance Ventures Limited	50000	100%	NII	97000000	100%	NIL	.....%

**(iii) (A) Change in Promoters' Shareholding**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	50000	100%		
Date of Increase / Decrease	Name of the Promoters	No. of shares	% of total shares of the company	Increase /Decrease in shareholding	Reasons for Increase/ Decrease
15/06/2015	Reliance Ventures Limited	499,50000	100%	Increase in shares	Right issue of shares
31/03/2016	Reliance Ventures Limited	47000000	100%	Increase in shares	Right issue of shares
	At the end of the year	97000000	100%		

**(iii) (B) Change in Promoters' Shareholding**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	<b>50000</b>	<b>100%</b>		
Date of Increase / Decrease	Name of the Promoters	No. of shares	% of total shares of the company	Increase /Decrease in shareholding	Reasons for Increase/ Decrease
15/06/2015	Reliance ventures Limited (RVL)	49950000	100%	Increase in shares	Right issue of shares
31/03/2016	Reliance ventures Limited (RVL)	47000000	100%	Increase in shares	Right issue of shares
	At the end of the year	<b>97000000</b>	<b>100%</b>		

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and 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
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year ( or on the date of separation, if Separated during the year)	NIL			

**(v). Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year	Cumulative Shareholding during the year 1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016)



		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>At the beginning of the year</b>					
1.	Shri Adawal Shanker nominee of Reliance Ventures Limited	10	0.00%	10	0.00%
2.	Shri Shrivallabh Goyal nominee of Reliance Ventures Limited	10	0.00%	10	0.00%
<b>Increase / Decrease during the year</b>		<b>- Nil</b>			
<b>At the end of the year</b>					
1.	Shri Adawal Shanker nominee of Reliance Ventures Limited	10	0.00%	Nil	0.00%
2.	Shri Shrivallabh Goyal nominee of Reliance Ventures Limited	10	0.00%	Nil	0.00%

## 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>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	48,712,400,000	-	48,712,400,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	6,196,007,521	-	6,196,007,521
<b>Total (i+ii+iii)</b>	-	54,908,407,521	-	54,908,407,521
<b>Change in Indebtedness during the financial year</b>				
• Addition (Principal Amount)	-	6,901,000,000	-	6,901,000,000
•Reduction (Principal Amount)	-	2,300,000,000	-	2,300,000,000
• Addition (Interest Amount)	-	6,629,572,397	-	6,629,572,397
•Reduction (Interest Amount)	-	6,196,007,521	-	6,196,007,521
<b>Net Change (Principal Amount)</b>	-	4,601,000,000	-	4,601,000,000
<b>Net Change (Interest accrued but not</b>	-	433,564,876	-	433,564,876

due)				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount		53,313,400,000	-	53,313,400,000
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due		6,629,572,397	-	6,629,572,397
<b>Total (i+ii+iii)</b>		<b>59,942,972,397</b>	<b>-</b>	<b>59,942,972,397</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. N.	Particulars of Remuneration	Name of Whole Time Director <b>Shri Shrivallabh Goyal</b>
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14 79 042
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	10 89 288
	(c) Profits in lieu of salary under	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	. Commission - as % of profit - others, specify...	- - -
5.	Others, please specify	-
	<b>Total (A)</b>	<b>25 68 330</b>
	<b>Ceiling as per the Act</b>	<b>35 38 155</b>

### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount (1)
		Kishore Kumar	Anil Sharma	
1.	Independent Directors	25000	25000	50000
	• Fee for attending board meetings			
	Fee for attending Audit committee meetings	25000	25000	50000
	Fee for attending Nomination & Remuneration committee meetings	25000	25000	50000
	• Commission	-	-	
	• Others, please specify	-	-	
	<b>Total</b>	<b>75000</b>	<b>75000</b>	<b>150000</b>
		Name of the Directors		Total Amount (2)
		Shanker	Ramesh	

		<b>Adawal</b>	<b>Damani</b>		
<b>2.</b>	Other Non-Executive Directors • Fee for attending board meetings	5000	5000	15000	
	Fee for attending Audit committee meetings	5000	-	10000	
	Fee for attending Nomination & Remuneration committee meetings	5000	-	10000	
	• Commission	-	-	-	
	• Others, please specify	-	-	-	
	<b>Total</b>	<b>15000</b>	<b>10000</b>	<b>35000</b>	
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

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

S. N.	Particulars of Remuneration	Key Managerial Personnel		
		Shri Sudhir Jain-CFO *	Shri Dheeraj Kandhari CS	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6209534	634196	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	157349	54764	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>6366883</b>	<b>688960</b>	

• Shri Sudhir Jain was Company Secretary of the Company, prior being appointed as CFO on 12<sup>th</sup> October, 2015.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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	<b>Nil</b>
Punishment	
Compounding	
<b>B. DIRECTORS</b>	
Penalty	<b>Nil</b>
Punishment	
Compounding	
<b>C. OTHER OFFICERS IN DEFAULT</b>	
Penalty	<b>Nil</b>
Punishment	
Compounding	

## DIRECTOR'S REPORT

Dear Shareholders,

Your Directors are pleased to present the Eleventh Annual Report together with the Audited Financial Statements of Accounts of the Company Model Economic Township Limited ("the Company") for the year ended March 31, 2017.

### Indian Accounting Standards

The Ministry of Corporate Affairs on 16<sup>th</sup> February, 2015 notified that Indian Accounting Standards (Ind AS) are applicable to certain class of companies from 1<sup>st</sup> April, 2016 with transition date of 1<sup>st</sup> April, 2015. Ind AS has replaced the previous Indian GAAP prescribed under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014.

Ind AS is applicable to the Company from 1<sup>st</sup> April, 2016.

The reconciliations and descriptions of the effect of the transition from previous Indian GAAP to Ind AS have been set out in Note 46 in the notes to accounts in the financial statement of the Company.

### Financial Performance

The summarized standalone and consolidated results of your Company and its subsidiaries are given in the table below:

Particulars	Rs. in Lacs	
	Financial Year ended	
	31st March, 2017	31st March,2016
Revenue from operations	3109.44	11592.78
Compensation/enhanced compensation on compulsory acquisition of land	1003.80	81.97
Interest and other income	70.69	68.35
Profit / (Loss) Before depreciation, exceptional item and taxes	(760.86)	899.49
Deducting Depreciation	35.17	29.12
Profit Before Tax	(796.03)	870.36
Deducting Taxes	(107.61)	(10.55)
Profit after tax	(688.41)	880.92
Less: Appropriation:	-	-
Amount Transferred to Reserve	-	-
Other Comprehensive Income	(34.17)	(10.68)
Balance Carried to Balance Sheet	(722.58)	870.25

\*previous year figures have been recast on adoption of Indian Accounting Standards.

## **Financial Results**

During the year, the total income of Company decreased to Rs. 7559.96 lakhs compared to Rs 11743.09 lakhs in the previous year. The decrease is mainly on account of lower sale of un-developed land.

## **Merger**

Girisha Commercials Private Limited, Devashree Commercials Private Limited, Dignity Mercantile Private Limited and Cluster Commercial Private Limited, wholly owned subsidiaries were merged with the Company following the approval of the scheme of merger by the Shareholders of all the Companies and Central Government vide Regional Director's letter dated 9<sup>th</sup> May, 2017. The financial statements of the Company for the year ended 31<sup>st</sup> March, 2017 have been prepared after incorporating the assets and liabilities of all the four companies merged with the Company. Since all the four companies, merged with the Company, were wholly owned subsidiaries of the Company, pursuant to the merger, no fresh shares was issued by the Company and the entire share capital of the subsidiaries companies were cancelled on amalgamation.

## **Capital/ Finance**

During the year, your Directors allotted Zero Coupon Optionally Convertible Debentures for Rs. 4,125.92 Cr to Reliance World Trade Private Limited. The option for conversion is with your Company. The proceeds received from debenture holders were utilized for augmenting long term resource of the capital.

## **Business Review/State of the company's affairs**

Your Company has applied for license for industrial colony for a total of 1594 acres of land out of which it has obtained license for 365 acres. On receipt of License for the balance area your Company would initiate full- fledged development in the integrated colony.

In the meantime, the concept master planning, detailed master planning and services /utility network planning have been initiated with best of the consultants.

During the year, your company continued to make efforts to consolidate land to make contiguous parcels for development, has engaged with Government of Haryana for various approvals/supports and to has engaged with the potential buyers/co-developers/investors to partner with your company for development of the Model Economic Township project. The efforts of your company have started yielding positive results and we hope the ensuing year will be year of activities and business growth.

Your Company has been able to create a base platform to enable launch of the MET project to the next level of visible development, having gained recognition of the Government of Haryana, significant progress with respect to sale/ development of both standalone land parcels as well as plots of land within the licensed area.

## **Infrastructure Approvals**

Your Company has obtained specific approval from the irrigation department for draw of water from the surface water source i.e. the NCR Channel at two specific points for 5 cusecs of water as well as obtained ROW approval for its conveyance to the first phase. The work of creating water infrastructure and facilities will be initiated in the ensuing year. The electrification plan approval obtained last year has been resubmitted for approval for the 365 acres of land. It is expected that this approval will be obtained during the first quarter of coming financial year and the company intends to start the development activity for construction of the external infrastructure immediately thereafter.

### **Dividend**

No dividend has been recommended by the Directors during the year.

### **Directors' Responsibility Statement**

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Holding Company and Subsidiaries, Joint Ventures and Associate Companies**

Your Company continues to be the Subsidiary of Reliance Ventures Limited, which is a wholly owned subsidiary of Reliance Industries Limited.

During the year, your Board approved full dis-investment of equity shares of Resolute Land Consortium Projects Limited and investment in 100% equity share capital of four private companies namely Girisha Commercials Private Limited, Devashree Commercials Private Limited, Dignity Mercantile Private Limited and Cluster Commercial Private Limited. As a result these companies have become wholly owned subsidiaries of your Company.

To achieve synergy, cost savings and for better business growth, your Company has filed scheme of amalgamation of its four wholly owned subsidiary companies namely Girisha Commercials Private Limited, Devashree Commercials Private Limited, Dignity Mercantile Private Limited and Cluster Commercial Private Limited under section 233 of the Companies Act 2013 with the Company. Pursuant to the Central Government (Power delegated to Regional Director), the subsidiaries companies were merged with the Company.

The Company does not have any subsidiary, associate companies or joint venture and there has been no change in the same during the year under review except as mentioned above.

### **Directors and Key Managerial Personnel**

In accordance with the provision of the Companies Act, 2013, Mr. Ramesh Damani (DIN:00049764), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

### **Declaration by Independent Directors**

The Company has received declaration of independence from all the independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act 2013.

### **Board evaluation**

The Company has in place a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive directors and executive directors.

On the basis of the Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors, feedback was obtained from all the Directors by way of a structured questionnaire for the evaluation of the Board, its Committees and the individual directors covering, inter-alia, various aspects of their performance including understanding of Company's operations, contribution at meetings and inter-personal skills, composition, board dynamics. The responses received were evaluated by the Board.

The following policies of the Company are annexed herewith marked as "Annexure IA" and "Annexure IB" respectively:

- Policy for Selection of Directors and determining Directors' independence; and
- Remuneration Policy for Directors, Key Managerial Personnel and other employees.

### **Details of Board meetings**

During the year, seven number of Board meetings were held, details of which are given below:

<b>Date of the meeting</b>	<b>No. of meeting</b>	<b>No. of Directors attended the meeting</b>	<b>Name of Directors attended the meeting</b>
9 <sup>th</sup> April, 2016	51 <sup>st</sup>	3	Shri Shrivallabh Goyal Shri Kishore Sinha Shri Anil Sharma
11 <sup>th</sup> July, 2016	52 <sup>nd</sup>	3	Shri Shrivallabh Goyal Shri Kishore Sinha Shri Anil Sharma
8 <sup>th</sup> September, 2016	53 <sup>rd</sup>	2	Shri Shrivallabh Goyal Shri Anil Sharma
12 <sup>th</sup> September, 2016	54 <sup>th</sup>	2	Shri Shrivallabh Goyal Shri Shanker Adawal
8 <sup>th</sup> October, 2016	55 <sup>th</sup>	3	Shri Shrivallabh Goyal Shri Ramesh Damani Shri Anil Sharma
9 <sup>th</sup> January, 2017	56 <sup>th</sup>	3	Shri Shrivallabh Goyal Shri Kishore Sinha Shri Anil Sharma
13 <sup>th</sup> January, 2017	57 <sup>th</sup>	2	Shri Shrivallabh Goyal Shri Shanker Adawal

### **Corporate Governance**



### **Board Committees**

As required by sections 177 and 178 of the Companies Act 2013, your Directors constituted two Board Committees namely Audit Committee and Nominations and remuneration Committee at their 46<sup>th</sup> meeting held on 26<sup>th</sup> August, 2015, which has following composition of members:

#### **Audit Committee**

<b>S.N.</b>	<b>Name of Director</b>	<b>Status in Committee</b>
1.	Shri Shrivallabh Goyal	Chairman
2.	Shri Kishore Sinha	Member
3.	Shri Anil Kumar Sharma	Member

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

The terms of reference of Audit Committee is as per **Annexure II-**

#### **Nominations and remuneration Committee**

<b>S.N.</b>	<b>Name of Director</b>	<b>Status in Committee</b>
1.	Shri Kishore Sinha	Chairman
2.	Shri Shanker Adawal	Member
3.	Shri Anil Kumar Sharma	Member

The terms of reference of Nomination and Remuneration Committee is as per **Annexure III.**

#### **Details of Committee meetings**

##### **Audit Committee**

<b>Date of the meeting</b>	<b>No. of meeting</b>	<b>No. of Directors attended the meeting</b>	<b>Name of Directors attended the meeting</b>
9 <sup>th</sup> April, 2016	4 <sup>th</sup>	3	Shri Shrivallabh Goyal Shri Kishore Sinha Shri Anil Sharma
11 <sup>th</sup> July, 2016	5 <sup>th</sup>	3	Shri Shrivallabh Goyal Shri Kishore Sinha Shri Anil Sharma
8 <sup>th</sup> October, 2016	6 <sup>th</sup>	2	Shri Shrivallabh Goyal Shri Anil Sharma
9 <sup>th</sup> January, 2017	7 <sup>th</sup>	3	Shri Shrivallabh Goyal Shri Kishore Sinha Shri Anil Sharma
21 <sup>st</sup> February, 2017	8 <sup>th</sup>	3	Shri Shrivallabh Goyal Shri Kishore Sinha Shri Anil Sharma

##### **Nomination and Remuneration Committee**

<b>Date of the meeting</b>	<b>No. of meeting</b>	<b>No. of Directors attended the meeting</b>	<b>Name of Directors attended the meeting</b>
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9 <sup>th</sup> April, 2016	4 <sup>th</sup>	3	Shri Kishore Sinha Shri Shanker Adawal Shri Anil Sharma
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### **Risk Management**

During the previous year, your Directors have approved the risk management framework and constituted Business Risk and Assurance Committee consisting of Heads of each of the function to (a) monitor risk and effectiveness of risk management; (b) review the effectiveness of control system to minimize/mitigate the risk; (c) report adequacy of internal control systems and process and their effectiveness of implementation. The Committee is required to oversee that all the risk that the organization faces, such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory and other risk, are identified and assessed and there is an adequate risk management infrastructure in place capable for addressing those risk.

The Company has in place a Risk Management Framework which provides for a robust risk management framework to identify and assess risks such as operational, financial, regulatory and other risks. It outlines the objectives, scope, process and monitoring mechanism for risk management in the Company There is an adequate risk management infrastructure in place capable of addressing these risks.

You company manages, monitors and reports on principal risk and uncertainties that can impact its ability to achieve its strategic objectives. Your company has made out detailed standard operating procedures and identified various risk associated with each of its activity / sub-activity along with mitigation approach. You Company has implemented legal compliance portal where various compliances under the applicable laws have been uploaded to avoid occurrence of any non-compliance.

### **Statutory Auditors, their Report and Notes to Financial Statements**

In the last AGM held on 11<sup>th</sup> July, 2016, M/s. Chaturvedi and Shah, Chartered Accountants were appointed Statutory Auditors of the Company to hold office until the conclusion of next annual general meeting. In term of Section 139(2) of the Companies act, 2013, the term of M/s Chaturvedi and Shah, Chartered Accountant has been completed and M/s DTS & Associates, Chartered Accountant, (Firm No 142412W ), being eligible have offered for appointment. In this regard, the Company has obtained a written consent under Section 139 of the Companies Act, 2013 from the Auditors and also a certificate from them to the effect that their appointment, would be in accordance with the conditions prescribed under the Companies Act, 2013 and the rules made thereunder, as may be applicable.

The Audit Committee in its Meeting held on 9<sup>th</sup> June, 2017 has recommended the appointment of M/s DTS & Associates, Chartered Accountant as Statutory Auditor for the period of 5 years subject to ratification at each Annual General Meeting. Your Directors also recommend their appointment from the conclusion of this annual general meeting till the conclusion of fifteenth (15) Annual General Meeting to be held in the year 2022.

Further, the report of the Statutory Auditors along with notes to Schedules is enclosed to this report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

### **Cost Audit**

The Cost Audit, as stipulated in the Companies (Audit and Auditors) Rules, 2014, is not applicable to your Company.

### **Secretarial Audit**

The Board has appointed M/s P.I. & Associates, Practicing Company Secretaries, required under Section 204 of the Companies Act, 2013, to conduct the secretarial audit of the company for the year 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith marked as "Annexure IV" to this report. The Secretarial Audit report does not contain any qualification, reservation, adverse remark or disclaimer.

### **Related party transactions**

All the contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

Your Directors draw attention of the members to Note 29 to the financial statement which sets out related party disclosures pursuant to Ind AS-24.

### **Internal Financial Controls**

You 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 designs or operations were observed.

During the year, your Board has appointed M/s KPMG, Chartered Accounts as Internal Auditors to conduct internal audit of the Company. The scope of the internal audit covers all the business activities, including transaction Audit and Tax compliances. The internal Auditors have also reviewed the internal financial control systems established by the Company and have reported that these systems are adequate and working effectively.

### **Corporate Social Responsibility**

Though the provisions of Section 135 of the Companies Act 2013 are not applicable to the Company, as a part of its social engagement, it has been undertaking various initiatives in the villages. Its community engagement programmes include health services through mobile health vans, camps for eye treatment, vet care programmes and woman empowerment programs. In the past, your Company had also developed village infrastructure such as construction of village roads, cremation ground up-gradation, construction of community centers, provision of drinking water etc. In the field of education, the Company has undertaken school level intervention to upgrade skills, adopted three Government run ITIs to improve their programs and other processes. The Company has also arranged job related vocational training programmes for the children of land sellers. It has also tied up with skill council for telecom to impart training and facilitate employment to village youth in telecom companies, which has been a very successful program.

### **Details of conservation of energy, technology absorption, foreign exchange earnings and outgo**

#### **(a) Conservation of energy**

(i)	the steps taken or impact on conservation of energy	Your Company is in the process of development of Model Economic Township Project. During the development, your company will evaluate various energy conservation options and implement them wherever found feasible and thereafter report.
(ii)	the steps taken by the company for utilizing alternate sources of energy	
(iii)	the capital investment on energy conservation equipment's	

		As an initial step towards energy conservation measures your Company has installed LED based street lights
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**(b) Technology absorption**

(i)	the efforts made towards technology absorption	Your company will evaluate various technologies for building construction, treatment of water and waste water, power management etc for implementation and absorption during the development for deriving benefits in cost and product development.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	<b>Not applicable</b>
	(a) the details of technology imported	
	(b) the year of import;	
	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	<b>Nil</b>

**(c) Foreign exchange earnings and Outgo**

During the year, the foreign exchange expenditure is Rs. 25 19 770.

**Extract of Annual Return**

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is Annexed as **Annexure V**.

**Particulars of Employees**

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement of particulars of employees is annexed as **Annexure VI**.

**Human Resources**

Your Company treats its "human resources" as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs with focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation, job enrichment training and job enlargement.

**General**

Your Director state that no disclosure or reporting is required in respect of the following items, as there were no transactions on these items during the year under review:

- (a) Details relating to Deposits covered under Chapter-V of the Companies Act, 2013.
- (b) Issue of Equity shares with differential rights as to dividend, voting or otherwise.
- (c) Issue of shares (including sweat equity shares and ESOS) to employees of the Company under any scheme.
- (d) The provision of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.
- (e) No significant or material orders were passed by the Regulators or Courts or Tribunals.
- (f) No fraud was reported by the Auditors to the Audit Committee or the Board.
- (g) The Company has not given any loans, made any investment, given any guarantees or provided any securities in terms of Section 186 of the Companies Act, 2013.
- (h) The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- (i) There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and date of this report.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal ) Act, 2013.

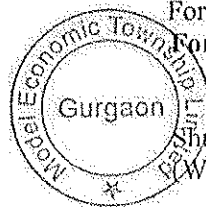
#### Acknowledgement

Your Directors place on record their appreciation for the contribution of employees at all levels towards the growth and performance of your Company.

Your Directors also thank the clients, vendors, bankers, shareholders and advisers of the Company for their continued support.

Your Directors also thank the Central and State Governments, and other statutory authorities for their continued support.

Date: 9<sup>th</sup> June, 2017  
Place : Gurgaon



For and on behalf of the Board  
For Model Economic Township Limited

*Shrivallabh Goyal*  
Shrivallabh Goyal  
(Whole-time Director)

*Shanker Adawal*  
Shanker Adawal  
(Director)

## Policy for Selection of Directors and determining Directors' independence

### Introduction

Model Economic Township Limited (MET) believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, MET ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.

MET recognizes the importance of Independent Directors in achieving the effectiveness of the Board. MET aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

### Scope and Exclusion:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

### Terms and References:

In this Policy, the following terms, which have been defined in the Companies Act 2013 shall have same meanings as under:

Section 2 (34)- "Director" means a director appointed to the Board of a company.

Section 178 (1)- "Nomination and Remuneration Committee" means the committee constituted by MET's Board in accordance with the provisions of the Act.

Section 149 (6)- "Independent Director" means a director referred to in the Companies Act, 2013.

### Policy

#### Qualifications and selection criteria

The Committee and the Board shall review on annual basis appropriate skills, knowledge and experience required of its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's operations.

In evaluating the suitability of individual Board members, the Committee may take into account factors, such as:

- General understanding of the Company's business dynamics, global business and social perspective;
- Educational and professional background Standing in the profession;

- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

The proposed appointee shall fulfill the following requirements:

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his written consent to act as a Director;
- Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing Agreements and other relevant laws.

#### **Criteria of Independence**

The Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

The criteria of independence, as laid down in Companies Act, 2013 is as below:

- (i) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (ii) who is or was not a promoter of the company or its holding, subsidiary or associate company;
- (iii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (iv) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

- (v) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (vi) who, neither himself nor any of his relatives—
  - (a) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
  - (c) holds together with his relatives two per cent or more of the total voting power of the company; or
  - (d) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
  - (e) is a material supplier, service provider or customer or a lessor or lessee of the company.
- (vii) shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
- (viii) shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
- (ix) who is not less than 21 years of age.

The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

#### **Other directorships / committee memberships**

- (i) The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their



directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board;

- (ii) A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies;
- (iii) A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company;
- (iv) A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships.

For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

## Remuneration Policy for Directors, Key Managerial Personnel and other employees

### Introduction

Model Economic Township Limited (MET) recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Reward philosophy of the Company is to provide market competitive total reward opportunity that has a strong linkage to and reinforces the performance culture of the Company. The ultimate objective is to gain competitive advantage by creating a reward proposition that inspires employees to deliver company's promise to consumers and achieve superior operational results. The guiding principles for this policy are:

- (i) Open, fair, consistent, simple and explainable;
- (ii) The level and composition of remuneration is competitive, reasonable and aligned to market practices and tends to attract, retain and motivate talent required to run the company successfully and ensure long term sustainability;
- (iii) The remuneration has fair balance between fixed and variable pay reflecting short and long term performance objective's appropriate to the working of the company and its goals;
- (iv) The remuneration is linked to key deliverables, appropriate performance benchmarks and metrics and varies with performance and achievement;
- (v) Alignment of performance metrics with business plans and strategy, corporate performance targets and interests with stakeholder;
- (vi) Quantitate and qualitative assessment of performance are used to making informed judgments to evaluate performance;
- (vii) Sufficiently, flexible to take into account future changes in industry and compensation practice; and
- (viii) The pay takes into account both external market and company conditions to a balanced fair outcome;

### Scope and Exclusion

This Policy sets out the above guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

### Definitions

In this Policy, the definitions of the terms shall have the same meanings as defined in the Companies Act 2013 as under:

Section 2 (34) - "Director" means a director appointed to the Board of the Company.

Section 2 (51)- "Key Managerial Personnel" means

- (i) the Chief Executive Officer or the Managing Director or the manager;
- (ii) the Company Secretary;
- (iii) the Whole-Time Director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed under the Companies Act, 2013

Section 178 (1)- "Nomination and Remuneration Committee" means the committee constituted by Board of the Company in accordance with the provisions of the Act.

## **Policy**

### **Remuneration to Executive Directors and Key Managerial Personnel**

The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Executive Directors and Key Managerial Personnel of the Company subject to the applicable limits set out in Schedule V of the Act.

The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors)
- (v) Retiral benefits
- (vi) Annual Performance Bonus

The Annual Plan and Objectives for Executive Directors and Senior Executives shall be reviewed by the Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

### **Remuneration to Non-Executive Directors**

Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.

### **Remuneration to other employees**

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs. The annual performance shall be evaluated based on the actual performance vis-à-vis the annual goals set for them in the beginning of the year.

## Annexure II

### The term of reference of the Audit Committee includes:

- (i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (ii) The recommendation for appointment, reappointment, remuneration and terms of appointment of the auditors of the Company;
- (iii) Recommending to the Board, the replacement or removal of Statutory Auditors including Cost Auditors;
- (iv) Review and monitor the auditor's independence and performance and effectiveness of audit process;
- (v) Examination of the financial statement and the auditor's report thereon;
- (vi) Approval or any subsequent modification of transactions of the Company with related parties;
- (vii) Scrutiny of inter- corporate loans and investments;
- (viii) Valuation of undertakings or assets of the company, whenever it is necessary;
- (ix) Evaluation of internal financial controls and risk management systems;
- (x) Monitoring the end use of funds raised through public offers and related matters;
- (xi) Approval of payment to Statutory Auditors including Cost Auditors for any other services rendered by them;
- (xii) To call for the comments of the auditors about internal control systems, scope of audit, observations of auditors;
- (xiii) Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

- (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by the management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of related party transactions;
  - (g) Qualifications in draft audit report.
- (xiv) Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- (xv) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (xvi) Reviewing with the management, the performance of Statutory Auditors including Cost Auditors and Internal Auditors;
- (xvii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- (xviii) Discussion with Internal Auditors, any significant findings and follow up thereon;
- (xix) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (xx) Discussion with Statutory Auditors including Cost Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- (xxi) To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;

- (xxii) To review the functioning of the Whistle Blower Mechanism, if applicable;
- (xxiii) Approval of appointment of CFO (i.e. the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (xxiv) Carrying out such other functions as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company;
- (xxv) To review the following information:
  - (a) The management discussion and analysis of financial condition and results of operations;
  - (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - (c) Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
  - (d) Internal audit reports relating to internal control weaknesses; and
  - (e) The appointment, removal and terms of remuneration of Internal Auditors.
- (xxvi) Reviewing the financial statements and in particular the investments made by the unlisted subsidiaries of the Company.

## Annexure III

The terms of reference of the Nomination and Remuneration Committee are as under:

- (i) To identify persons who are qualified to become directors in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal;
- (ii) To identify persons who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal;
- (iii) To carry out evaluation of every director's performance;
- (iv) To establish criteria and processes for and assist the Board and each of its Committees in their performance evaluations;
- (v) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- (vi) To recommend / review remuneration of the Managing Director(s) and Whole-time Director(s), if any, based on their performance and defined assessment criteria.
- (vii) To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme, if any, including:
  - (a) the quantum of options to be granted under Employees' Stock Option Scheme per employee and in aggregate;
  - (b) the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
  - (c) the exercise period within which the employee should exercise the option and that the option would lapse on failure to exercise the option within the exercise period;
  - (d) the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;

- (e) the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
  - (f) the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others;
  - (g) the granting, vesting and exercising of options in case of employees who are on long leave; and the procedure for cashless exercise of options.
- (viii) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- (ix) To perform such other functions as may be necessary or appropriate for the performance of its duties.
- (x) The Committee shall, while formulating the policy as per clause (v) above ensure that:
- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.



**FORM MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017

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

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017

To,

The Members,

**MODEL ECONOMIC TOWNSHIP LIMITED**

*(Formally known as Reliance Haryana SEZ Limited)*

(U70109HR2006PLC036416)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Model Economic Township 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 my opinion thereon.

Based on our verification of the Company, books, papers, minute 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, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017, the Company has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent based on the management representation letter/ confirmation, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017, according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; *(Not Applicable)*
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; *(Not Applicable)*
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; *(Not Applicable)*
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; *(Not Applicable)*
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; *(Not Applicable)*
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; *(Not Applicable)*
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *(Not Applicable)*
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and *(Not Applicable)*
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; *(Not Applicable)*
- vi. With respect to the below mentioned laws which are specifically applicable on the Company we have relied on the compliance certificates shared by the concerned department head:
- Income Tax Act, 1961 and applicable rules
  - The Finance Act 1994
  - Haryana Value Added Tax Act, 2003 and applicable rules
  - Micro Small and Medium Enterprises Development Act, 2006
  - Negotiable Instruments Act, 1881
  - Land Acquisition Act, 1894 and related laws
  - National Building Code of India, 2005
  - Applicable Environment Laws
  - Applicable Labour Laws
  - Sexual Harassment Of Women At Workplace (prevention, Prohibition & Redressal) Act, 2013

- Indian Stamp Act, 1899
- Haryana Municipal Corporation Act 1973
- Haryana Utilization of Surplus and Other Area Act 1976
- Haryana Development and Regulation of Urban Area Act 1975
- Haryana Urban Development Authority Act 1977
- The Punjab Scheduled Roads and Controlled Areas Restriction Of Unregulated Development Act, 1963, (Punjab Act No. 41 of 1963)
- The Haryana Canal and Drainage Act, 1974 and Rules
- The Haryana Fire Service Act, 2009

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s), if applicable;  
(*Not Applicable*)

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

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 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.

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. The Company has deployed a compliance management system to monitor the compliances applicable on it.

We further report that during the audit period the company has following major events took place in the Company:-

1. The Company has issued Zero Coupon Unsecured Optionally Convertible Debentures through Right Issue in due Compliance of the Act.

2. The Company has passed requisite resolutions of members and creditors, and taken approval from the Registrar of Companies and Official Liquidators for scheme of compromise and arrangement between the Company and its four (4) wholly owned subsidiaries however, the order of confirmation is pending.

**For PI & Associates,  
Company Secretaries**

Sd/-

**Partner**

**(Nitesh Latwal)**

**ACS No.: 32109**

**CP No.: 16276**

Date: April, 19, 2017

Place: New Delhi

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF MODEL ECONOMIC TOWNSHIP LIMITED**

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **Model Economic Township Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss (including 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 Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), loss (financial performance including other comprehensive income), cash flows and 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.

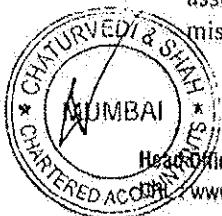
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.



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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March, 2017 and its loss (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

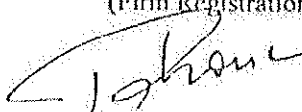
1. As required by Section 143 (3) of the Act, we report that:

- (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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.



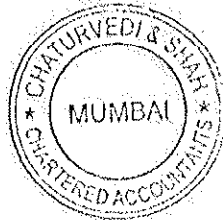
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with 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:
- The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March, 2017 on its financial position in its standalone Ind AS financial statements. Refer Note 30 to the financial Statements.
  - The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long - term contracts.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedure and relying on management representation we report that disclosure are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.
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 the "Annexure B" here to, a statement on the matters specified in the paragraphs 3 and 4 of the said Order.

For Chaturvedi & Shah  
Chartered Accountants  
(Firm Registration No.101720W)



R. Koria  
Partner  
Membership No. 35629

Place: Mumbai,  
Dated: 9<sup>th</sup> June, 2017



**"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 Ind AS financial statements of Model Economic Township Limited for the year ended 31<sup>st</sup> March 2017)

**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 31<sup>st</sup> March, 2017 in conjunction with our audit of the standalone Ind AS 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 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 (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 31<sup>st</sup> March, 2017, 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 Chaturvedi & Shah  
Chartered Accountants  
(Firm's Registration No. 101720W)

R. Koria  
Partner  
Membership No. 35629



Place: Mumbai  
Date: 9<sup>th</sup> June, 2017

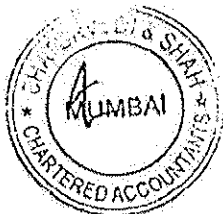
**"ANNEXURE B " TO INDEPENDENT AUDITOR'S REPORT**

(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 Ind AS financial statements for the year ended on 31" March 2017)

- (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. Therefore the provisions of Clause 3(iii) 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. Therefore 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, 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 31<sup>st</sup> March, 2017 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 or Value added tax, which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us the Company has not borrowed from financial institutions, bank or government and has issued only Zero Coupon Optionally Fully Convertible Debentures hence 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 money by way of initial public offer or further public offer (including debt instruments) and no term loans were raised and hence 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 standalone 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 hence provisions of clause (xii) of paragraph 3 of the order are not applicable.
- (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 hence 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. Therefore, 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. Therefore, the provisions of Clause (xvi) of paragraph 3 of the order are not applicable to the Company.

For Chaturvedi & Shah  
Chartered Accountants  
(Firm Registration No.101720W)

  
R. Korla  
Partner  
Membership No. 35629

Place: Mumbai  
Dated: 9<sup>th</sup> June, 2017



**MODEL ECONOMIC TOWNSHIP LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2017**

	Notes	As at 31st March 2017 (Rs.)	As at 31st March 2016 (Rs.)	As at 1st April 2016 (Rs.)
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
(a)	Property, Plant and Equipment	3 1 44 68 217	1 41 39 431	1 44 18 659
(b)	Intangible assets	3 84 704	1 23 272	1 61 487
(c)	Financial Assets			
	(i) Investment	4 -	75 000	5 00 000
	(ii) Other Financial Assets	5 9 91 52 234	8 47 30 767	8 59 44 117
(d)	Other Non Current Assets	6 9 18 16 535	7 33 34 349	7 36 79 088
	<b>Total Non-Current assets</b>	<b>20 55 21 690</b>	<b>17 24 02 819</b>	<b>17 47 03 361</b>
<b>Current assets</b>				
(a)	Inventories	7 6632 05 22 528	6141 62 37 879	5531 68 66 681
(b)	Financial Assets			
	(i) Trade Receivables	8 11 43 396	3 61 740	38 14 570
	(ii) Cash and cash equivalents	9 1 40 93 551	46 15 742	34 06 028
	(ii) Other Financial Assets	10 17 68 510	19 35 169	21 75 049
(c)	Current Tax Assets (Net)	11 90 68 404	1 15 19 738	96 57 971
(d)	Other Current Assets	12 37 83 29 064	29 84 78 244	24 22 70 537
	<b>Total Current assets</b>	<b>6572 49 25 453</b>	<b>6173 31 48 512</b>	<b>5557 81 90 836</b>
	<b>TOTAL ASSETS</b>	<b>6693 04 47 143</b>	<b>6190 55 51 331</b>	<b>5575 28 94 197</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a)	Equity Share Capital	13 97 00 00 000	97 00 00 000	5 00 000
(b)	Other Equity	14 4141 91 45 873	23 35 44 223	14 86 43 478
	<b>Total Equity</b>	<b>4238 91 46 873</b>	<b>120 35 44 223</b>	<b>14 91 43 478</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
(a)	Financial Liabilities			
	Borrowings	15 1942 59 00 000	5331 34 00 000	4871 24 00 000
(b)	Provisions	16 13 51 10 937	16 44 91 892	12 96 32 258
(c)	Deferred Tax Liability (Net)	17 7 62 22 460	8 85 12 040	8 97 43 107
	<b>Total Non-Current Liabilities</b>	<b>1963 72 33 397</b>	<b>5356 64 03 932</b>	<b>4893 17 75 365</b>
<b>Current Liabilities</b>				
(a)	Financial Liabilities			
	(i) Trade payables	18 2 58 33 064	1 70 38 248	1 83 33 766
	(ii) Other financial liabilities	19 331 79 24 045	662 95 72 396	619 60 07 521
(b)	Provisions	20 6 83 68 580	4 52 03 578	5 87 25 670
(c)	Other Current Liabilities	21 49 19 42 184	44 37 88 954	39 89 08 397
	<b>Total Current Liabilities</b>	<b>390 40 67 873</b>	<b>713 56 03 176</b>	<b>667 19 75 354</b>
	<b>Total Liabilities</b>	<b>2354 13 01 270</b>	<b>6070 20 07 108</b>	<b>5560 37 50 719</b>
	<b>Total Equity and Liabilities</b>	<b>6593 04 47 143</b>	<b>6190 55 51 331</b>	<b>5575 28 94 197</b>

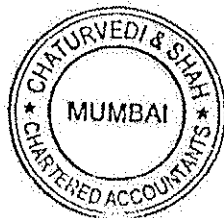
Significant Accounting Policies

See accompanying Notes to the Financial Statements 1 to 47

As per our Report of even date

For Chaturvedi & Shah  
Firm Regd No :101720W  
Chartered Accountants

*R. Korla*



R. Korla  
Partner  
Membership No : 35629

Place : Mumbai  
Date : 09th June, 2017

For and on behalf of the Board

*Shrivallabh Goyal*  
Shrivallabh Goyal  
(Director)  
DIN- 00021471

*Sudhir Jain*  
Sudhir Jain  
(Chief Financial Officer)  
Membership No : 084440

Place : Gurgaon  
Date : 09th June, 2017

*Anil Sharma*  
Anil Sharma  
(Director)  
DIN- 05212373

*Dheeraj Kandhari*  
Dheeraj Kandhari  
(Company Secretary)  
Membership No : A20934



**MODEL ECONOMIC TOWNSHIP LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

	Notes	2016 - 17 (Rs.)	2015 - 16 (Rs.)
<b>Income</b>			
Revenue from Operations	22	41,13,24,378	110,74,74,389
Other Income	23	70,68,857	68,34,692
<b>Total Income</b>		<b>41,83,93,235</b>	<b>117,43,09,081</b>
<b>Expenses</b>			
Changes in Inventories	24	(190,42,84,648)	(600,83,71,198)
Employee Benefits Expense	25	10,84,20,650	8,18,58,387
Finance Cost	26	332,81,49,707	663,29,98,455
Depreciation and Amortization Expense	3	35,17,039	20,12,896
Other Expenses	27	56,21,94,096	46,88,73,814
<b>Total Expenses</b>		<b>49,79,96,843</b>	<b>1,08,72,72,454</b>
<b>Profit/(Loss) before tax</b>		<b>(7,96,03,608)</b>	<b>8,70,36,637</b>
<b>Tax expense</b>			
(1) Current Tax			(7,53,574)
(2) Deferred Tax		(1,07,61,850)	(3,02,314)
(3) Excess Income Tax Provision of earlier year written back			(10,55,888)
		<b>(1,07,61,850)</b>	
<b>Profit/(Loss) for the year</b>		<b>(6,88,41,758)</b>	<b>8,80,92,525</b>
<b>Other Comprehensive Income</b>			
(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		(49,44,110)	(15,45,287)
Income tax relating to items that will not be reclassified to profit or loss		15,27,730	4,77,493
<b>Total Comprehensive Income for the period</b>		<b>(7,22,58,138)</b>	<b>8,70,24,731</b>
<b>Earning per equity share of face value of Rs 10 each</b>			
(1) Basic		(0.71)	2.21
(2) Diluted		(0.71)	2.21

**Significant Accounting Policies**

See accompanying Notes to the Financial Statements 1 to 47

As per our Report of even date  
 For Chaturvedi & Shah  
 Firm Regd No : 101720W  
 Chartered Accountants




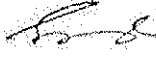

R. Korla  
 Partner  
 Membership No : 35629

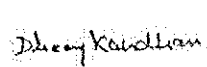
Place : Mumbai  
 Date : 09th June, 2017

**For and on behalf of the Board**

  
 Shrivallabh Goyal  
 (Director)  
 DIN- 00021471

  
 Anil Sharma  
 (Director)  
 DIN- 05212373

  
 Sudhir Jain  
 (Chief Financial Officer)  
 Membership No : 084440

  
 Dheeraj Kandhari  
 (Company Secretary)  
 Membership No : A20934

Place : Gurgaon  
 Date : 09th June, 2017



**MODEL ECONOMIC TOWNSHIP LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

	2016-17 (Rs)	2015-16 (Rs)
<b>A: CASH FLOW FROM (USED IN) OPERATING ACTIVITIES:</b>		
Net Profit/(Loss) before Tax as per Profit and Loss Statement	(7,96,03,808)	8,70,36,637
<b>Adjusted for:</b>		
Depreciation and Amortisation	35,17,039	29,12,996
Capital Reserve	(13,40,212)	
Provision for Estimated Cost Over Revenue	(5,09,665)	(1,29,970)
Loss/(Profit) on Sale/ Discarding of Property, Plant & Equipment (Net)	41,735	5,46,923
Other Comprehensive Income	(34,16,380)	(10,67,794)
Interest Income	(63,86,263)	(64,65,852)
Interest on Unsecured Loan	331,79,24,045	662,95,72,398
<b>Operating Profit before Working Capital Changes</b>	<b>323,02,16,691</b>	<b>671,25,05,336</b>
<b>Adjusted for:</b>		
<b>Non Current Assets &amp; Liabilities</b>		
Other Current Financial Assets	10,78,533	12,13,350
Deferred Tax Liability	(1,22,89,680)	(12,31,067)
Long Term Provisions	(2,93,80,655)	3,48,69,633
Long term Loans and Advances	(1,84,82,185)	3,44,739
<b>Current Assets &amp; Liabilities</b>		
Trade Payables	87,94,616	(12,95,518)
Other Current Liabilities	4,81,53,231	4,48,80,557
Short Term Provisions	2,36,74,668	(1,33,92,123)
Inventories	(390,42,84,652)	(609,93,71,185)
Trade Receivables	(7,81,658)	34,52,830
Other Current Assets	(7,97,16,002)	(5,60,36,037)
<b>Cash Generated (Used In ) from Operations</b>	<b>(73,30,17,091)</b>	<b>62,59,10,505</b>
Exceptional item incurred due to Merger	-	21,23,906
Deferred Tax	(1,07,61,850)	(7,53,574)
Excess Income Tax Provision of earlier year written back	-	(3,02,314)
Tax Paid (Net of Refund of TDS)	(24,51,334)	18,61,767
	(1,32,13,184)	29,29,865
<b>Net Cash Flow/ (Used In) From Operating Activities (A)</b>	<b>(71,98,03,907)</b>	<b>62,29,80,640</b>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Payment for Property, Plant & Equipment	(43,27,866)	(36,00,226)
Proceeds from disposal of Property, Plant & Equipment	4,78,974	4,57,758
Investment/Divestment	75,000	4,25,000
Bank Deposit with more than 12 months maturity	(1,55,00,000)	
Interest Income	84,28,104	65,54,064
<b>Net Cash Flow (Used In ) From Investing Activities (B)</b>	<b>(1,28,45,888)</b>	<b>37,36,596</b>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Long Term Borrowings	776,45,00,000	690,10,00,000
Repayment of Long Term Borrowings	(4165,20,00,000)	(230,00,00,000)
Proceeds From Issue of Equity Share Capital	-	96,95,00,000
Issue of Zero Coupon Optionally Fully Convertible Debentures	4125,92,00,000	
Interest on Unsecured Loan	(662,95,72,398)	(619,60,07,521)
<b>Net Cash Flow (Used In ) From Financing Activities (C)</b>	<b>74,21,27,604</b>	<b>(62,55,07,521)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents(A+B+C)</b>	<b>94,77,809</b>	<b>12,09,715</b>
Opening Balance of Cash and Cash Equivalents	46,15,742	34,06,028
Closing Balance of Cash and Cash Equivalents (Refer note no. 9)	1,40,93,551	46,15,742

**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 and on behalf of the Board

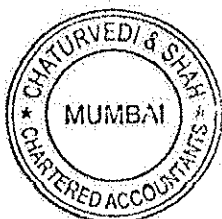
For Chaturvedi & Shah  
Firm Regd No : 101720W

Chartered Accountants

*R. Koria*

R. Koria  
Partner  
Membership No : 35629

Place : Mumbai  
Date : 09th June, 2017



*S. Goyal*  
Shrivallabh Goyal  
(Director)  
DIN- 00021471

*Sudhir Jain*  
Sudhir Jain  
(Chief Financial Officer)  
Membership No : 084440

Place : Gurgaon  
Date : 09th June, 2017

*Anil Sharma*

Anil Sharma  
(Director)  
DIN- 05212373

*Dheeraj Kandhari*

Dheeraj Kandhari  
(Company Secretary)  
Membership No : A20934



MODEL ECONOMIC TOWNSHIP LIMITED  
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED AS ON 31ST MARCH 2017

A. Equity Share Capital

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Numbers	Rs	Numbers	Rs	Numbers	Rs
Equity Shares at the Beginning of the year	9 70 00 000	97 00 00 000	50 000	5 00 000	50 000	5 00 000
Add: Shares Issued during the year	-	-	9 68 50 000	96 95 00 000	-	-
Equity Shares at the End of the year	9 70 00 000	97 00 00 000	9 70 00 000	97 00 00 000	50 000	5 00 000

B. Other Equity

	Reserve and Surplus			Items of Other Comprehensive Income	Total
	Equity component of compound financial instruments	Capital Reserve	Retained Earning	Other Items of Other Comprehensive Income (specify nature)	
<b>As on 01 April 2015</b>					
Balance at the beginning of the year	-	58 52 96 239	(65 30 32 525)	-	(6 77 36 286)
Impact of first time adoption of IND AS	-	-	21 63 79 764	-	21 63 79 764
Restated balance at the beginning of the reporting period	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-
Dividends	-	-	-	-	-
Transfer to retained earning	-	-	-	-	-
Issued during the Period	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-
Adjusted figure as per IND AS	-	58 52 96 239	(43 66 52 761)	-	14 86 43 478
<b>As on 31 March 2016</b>					
Balance at the beginning of the year	-	58 52 96 239	(43 66 52 761)	-	14 86 43 478
Impact of first time adoption of IND AS	-	-	10 33 93 161	-	10 33 93 161
Merger Expenses adjusted during the year	-	( 21 23 986)	-	-	( 21 23 986)
Total Comprehensive Income for the year	-	-	(1 53 00 636)	( 10 67 794)	(1 63 68 430)
Dividends	-	-	-	-	-
Transfer to retained earning issued during the Period	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-
Adjusted figure as per IND AS	-	58 31 72 253	(34 85 60 236)	( 10 67 794)	23 35 44 223
<b>As on 31 March 2017</b>					
Balance at the beginning of the year	-	58 31 72 253	(34 85 60 236)	( 10 67 794)	23 35 44 223
Impact of first time adoption of IND AS	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-
Total Comprehensive Income for the year	-	( 13 40 212)	(6 88 41 758)	( 34 16 380)	(7 35 98 350)
Dividends	-	-	-	-	-
Transfer to retained earning	-	-	-	-	-
Zero Coupon Optionally Fully Convertible Debentures Issued during the Year	4125 92 00 000	-	-	-	4125 92 00 000
Any other change (to be specified)	-	-	-	-	-
Balance at the end of the Year	4125 92 00 000	58 18 32 041	(41 74 01 994)	( 44 84 174)	4141 91 45 873

