MODEL ECONOMIC TOWNSHIP LIMITED

FINANCIAL STATEMENTS

2016-17

Independent Auditor's Report

To Board of Directors
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 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income) and the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or 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 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.

Auditors' 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 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 financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgement, 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 but not for the purpose of expressing an opinion on whether Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 31st 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.

Other Matter

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006, audited by us, our report in respect of previously issued statutory financial statements for the year ended 31st March 2016 and 31st March 2015 dated 9th April, 2016 and 11th May, 2015 respectively expressed an unmodified opinion, as adjusted for the differences in the accounting principles adopted by the company on transition date to the Ind AS, which have been audited by us.

Other Matters- restriction of use

The Company has filed a scheme of amalgamation of Devashree Commercials Private Limited, Girisha Commercials Private Limited, Cluster Commercial Private Limited and Dignity Mercantile Private Limited with it which is pending for necessary approval. These financial statements have been prepared to assist Reliance Industries Limited, ultimate holding company to prepare its consolidated financial statements for the year ended 31st March, 2017 and the financial statements may undergo change when the scheme of amalgamation being approved. Accordingly these financial statements may not be suitable for another purpose. Our report is intended solely for the company and its holding company and should not be distributed or used by parties other than for the preparation of consolidated financial statement of holding company. We hereby provide consent that a copy may be provided to auditors of holding company.

For **Chaturvedi & Shah**
Chartered Accountants
Firm Reg. No. 101720W

R. Koria
Partner
Membership No.:- 35629

Place: Mumbai
Dated: 10th April, 2017

Balance Sheet as at 31st March, 2017

	Notes	As at 31st March, 2017 (₹)	As at 31st March, 2016 (₹)	As at 1st April, 2015 (₹)
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	3	**144 68 217**	1 41 39 431	1 44 18 659
(b) Intangible assets	3	**84 704**	1 23 272	1 61 497
(c) Financial Assets				
(i) Investment	4	**4 00 000**	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
Total Non -Current assets Current assets		**20 59 21 690**	17 24 02 819	17 47 03 361
(a) Inventories	7	**6509 54 15 805**	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 33 14 661**	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 41 354**	1 15 19 738	96 57 971
(d) Other Current Assets	12	**60 56 29 064**	29 84 78 244	24 22 70 537
Total Current assets		**6572 63 12 790**	6173 31 48 512	5557 81 90 836
TOTAL ASSETS		**6593 22 34 480**	6190 55 51 331	5575 28 94 197
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	13	**97 00 00 000**	97 00 00 000	5 00 000
(b) Other Equity	14	**4142 09 32 589**	23 35 44 223	14 86 43 478
Total Equity		**4239 09 32 589**	120 35 44 223	14 91 43 478
Liabilities				
Non-Current Liabilities				
(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) Deffered Tax Liablity (Net)	17	**7 62 22 460**	8 85 12 040	8 97 43 107
Total Non-Current Liabilities		**1963 72 33 397**	5356 64 03 932	4893 17 75 365
Current Liabilities				
(a) Financial Liabilities				
(i) Trade payables	18	**2 58 00 864**	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 68 579**	4 52 03 578	5 87 25 670
(c) Other Current Liabilities	21	**49 19 75 006**	44 37 88 954	39 89 08 397
Total Current Liabilities		**390 40 68 494**	713 56 03 176	667 19 75 354
Total Liabilities		**2354 13 01 891**	6070 20 07 108	5560 37 50 719
Total Equity and Liabilities		**6593 22 34 480**	6190 55 51 331	5575 28 94 197
Significant Accounting Policies				
See accompaning Notes to the Financial Statements	**1 to 45**			

As per our Report of even date

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

R. Koria
Partner
Membership No : 35629

Place : Mumbai
Date :10th Apri1,2017

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 : 10th Apri1,2017

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

	Notes	2016-17 (₹)	2015-16 (₹)
Income			
Revenue from Operations	**22**	**41 13 24 378**	116 74 74 399
Other Income	**23**	**70 68 857**	68 34 692
Total Income		**41 83 93 235**	117 43 09 091
Expenses			
Changes in Inventories	**24**	**(367 91 77 926)**	(609 93 71 198)
Employee Benefits Expense	**25**	**10 84 73 471**	8 18 58 387
Finance Cost	**26**	**332 81 49 707**	663 29 98 455
Depreciation and Amortization Expense	**3**	**35 17 039**	29 12 996
Other Expenses	**27**	**73 65 88 048**	46 88 73 814
Total Expenses		**49 75 50 339**	108 72 72 454
Profit/(Loss) before tax		**(7 91 57 104)**	8 70 36 637
Tax expense			
(1) Current Tax		-	-
(2) Deferred Tax		**(1 22 89 580)**	(12 31 067)
(3) Excess Income Tax Provision of earlier year written back		-	(3 02 314)
		(1 22 89 580)	(15 33 381)
Profit/(Loss) for the year		**(6 68 67 524)**	8 85 70 018
Other Comprehensive Income			
(a) Items that will be reclassified to profit or loss			
Income tax relating to items that will be reclassified to profit or loss			
(b) Items that will not be reclassified to profit or loss		-	-
Remeasurement of the defined benefit plan		**(49 44 110)**	(15 45 287)
Income tax relating to items that will not be reclassified to profit or loss		-	-
Total Comprehensive Income for the period		**(7 18 11 634)**	8 70 24 731
Earning per equity share of face value of ₹ 10 each			
(1) Basic		**(0.74)**	2.18
(2) Diluted		**(0.74)**	2.18
Significant Accounting Policies			
See accompaning Notes to the Financial Statements	1 **to 45**		

As per our Report of even date

For Chaturvedi & Shah
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Chartered Accountants

R. Koria
Partner
Membership No : 35629

Place : Mumbai
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Dheeraj Kandhari
(Company Secretary)
Membership No : A20934

Place : Gurgaon
Date : 10th Apri1,2017

Cash Flow Statements for the year ended 31st March, 2017

			2016-17 (₹)		2015-16 (₹)
A:	**CASH FLOW FROM/ (USED IN) OPERATING ACTIVITIES:**				
	Net Profit/(Loss) before Tax as per Profit and Loss Statement		**(7 91 57 104)**		8 70 36 637
	Adjusted for:				
	Depreciation and Amortisation	**35 17 039**		29 12 996	
	Provision for Estimated Cost Over Revenue	**(5 09 665)**		(1 29 970)	
	Loss/(Profit) on Sale/ Discarding of Property, Plant & Equipment (Net)	**41 735**		6 46 923	
	Other Comprehensive Income	**(49 44 110)**		(15 45 287)	
	Interest Income	**(63 96 263)**		(64 65 852)	
	Interest on Unsecured Loan	**331 79 24 045**	**330 96 32 781**	662 95 72 396	662 49 91 206
	Operating Profit before Working Capital Changes		**323 04 75 677**		671 20 27 843
	Adjusted for:				
	Non Current Assets & Liabilities				
	Other Current Financial Assets	**10 78 533**		12 13 350	
	Deffered Tax Liability	**(1 22 89 580)**		(12 31 067)	
	Long Term Provisions	**(2 93 80 955)**		3 48 59 633	
	Long term Loans and Advances	**(1 84 82 185)**	**(5 90 74 187)**	3 44 739	3 51 86 655
	Current Assets & Liabilities				
	Trade Payables	**87 62 616**		(12 95 518)	
	Other Current Liabilities	**4 81 86 053**		4 48 80 557	
	Short Term Provisions	**2 36 74 668**		(1 33 92 123)	
	Inventories	**(367 91 77 929)**		(609 93 71 195)	
	Trade Receivables	**(7 81 656)**		34 52 830	
	Other Current Assets	**(30 70 16 003)**	**(390 63 52 251)**	(5 60 56 037)	(612 17 81 487)
	Cash Generated (Used in) from Operations		**(73 49 50 761)**		62 54 33 010
	Exceptional Item incurred due to Merger		**-**		21 23 986
	Deferred Tax		**(1 22 89 580)**		(12 31 067)
	Excess Income Tax Provision of earlier year written back		**-**		(3 02 314)
	Tax Paid (Net of Refund of TDS)		**(24 78 384)**		18 61 767
			(1 47 67 964)		24 52 372
	Net Cash Flow/ (Used in) From Operating Activities (A)		**(72 01 82 797)**		62 29 80 639
B:	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Payment for Property, Plant & Equipment		**(43 27 866)**		(36 00 226)
	Proceeds from disposal of Property, Plant & Equipment		**4 78 874**		3 57 758
	Investment/Divestment		**(3 25 000)**		4 25 000
	Bank Deposit with more than 12 months maturity		**(1 55 00 000)**		-
	Interest Income		**64 28 104**		65 54 064
	Net Cash Flow (Used in) From Investing Activities (B)		**(1 32 45 888)**		37 36 596
C:	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	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 72 396)**		(619 60 07 521)
	Net Cash Flow (Used in) From Financing Activities (C)		**74 21 27 604**		(62 55 07 521)
	Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)		**86 98 919**		12 09 714
	Opening Balance of Cash and Cash Equivalents		**46 15 742**		34 06 028
	Closing Balnce of Cash and Cash Equivalents (Refer note no. 11)		**1 33 14 661**		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 Chaturvedi & Shah
Firm Regd No :101720W
Chartered Accountants

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Partner
Membership No : 35629

Place : Mumbai
Date : 10th Apri1,2017

For and on behalf of the Board

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Dheeraj Kandhari
(Company Secretary)
Membership No : A20934

Place : Gurgaon
Date : 10th Apri1,2017

Statements of Changes in Equity for the year ended 31st March, 2017

A. Equity Share Capital

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Numbers	₹	Numbers	₹	Numbers	₹
Equity Shares at the Begning 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 69 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			Other items of Other Comprehensive Income (specify nature)	Total
	Equity component of compund financial instruments	Capital Reserve	Retained Earning		
As on 01 April 2015					
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 79 762		21 63 79 762
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 52 763)	-	14 86 43 476
As on 31 March 2016					
Balance at the beginning of the year		58 52 96 239	(43 66 52 763)		14 86 43 476
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 48 23 143)	(15 45 287)	(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 80 82 745)	(15 45 287)	23 35 44 221
As on 31 March 2017					
Balance at the beginning of the year		58 31 72 253	(34 80 82 745)	(15 45 287)	23 35 44 221
Impact of first time adoption of IND AS					-
Restated balance at the beginning of the reporting period			-		-
Total Comprehensive Income for the year			(6 68 67 524)	(49 44 110)	(7 18 11 634)
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 31 72 253	(41 49 50 269)	(64 89 397)	4142 09 32 587

Notes on Financial Statements for the year ended 31st March, 2017

A. CORPORATE INFORMATION

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

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

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

B. ACCOUNTING POLICIES

B.1 BASIS OF PREPARATION AND PRESENTATION

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

i) Defined benefit plans - plan assets,

ii) Annuity payment for furure period to land sellers,

iii) Lease rentals receivable from customers on long term lease

The financial statements of the Company have been prepared to comply with the Indian Accounting Standards ("Ind AS") including the rules notified under the relevant provisions of the Companies Act 2013.

Upto the year ended March 31, 2016, the Company has prepared its financial statements in accordance with the requirement of Indian GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules 2006 and considered as "Previous GAAP".

These financial statements are the Company's first Ind AS standalone financial statements.

Company's financial statements are presented in Indian Rupees, which is its functional currency.

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

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

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

Notes on Financial Statements for the year ended 31st March, 2017

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

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

(b) Leases

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

Company as a lessor

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

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

(c) Intangible assets

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

Subsequent costs are included in the assets's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

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

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

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

(d) FinanceCost

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

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

(e) Inventories

Items of inventories are measured at lower of cost and net realisable value.

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

Notes on Financial Statements for the year ended 31st March, 2017

(f) Impairment of non-financial assets

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

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The Recoverable amount is the higher of asset's fair value less costs to disposal and value in use. Value in use is based on the estimated future cash flows discounted to their present value, using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets.

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

(g) Provisions

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

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

(h) Employee Benefits

Short Term Employee Benefits

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

Post-Employment Benefits

Defined Contribution Plans

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

Defined Benefit Plans

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

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

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

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

(i) Tax Expenses

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

Notes on Financial Statements for the year ended 31st March, 2017

- **Current tax**

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

- **Deferred tax**

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

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

(j) Revenue recognition

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

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

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

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

Interest income

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

Dividends

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

C. Critical accounting judgements and key sources of estimationuncertainty:

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

a) Depreciation and useful lives of property plant and equipment

Property, plant and equipment/intangible assets are depreciated/amortized over their estimated useful lives, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated

Notes on Financial Statements for the year ended 31st March, 2017

technological changes. The depreciation/amortization for future periods is adjusted if there are significant changes from previous estimates.

b) Recoverability of trade receivable

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

c) Provisions

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

d) Impairment of non-financial assets

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

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

e) Impairment of financial assets

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

D. First time adoption of Ind AS

The Company has adopted Ind AS with effect from 1stApril 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Retained Earnings as at 1stApril 2015. The figures for the previous period have been reinstated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

a) Exemptions from retrospective application

(i) Business combination exemption

The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations consummated prior to April 1, 2015 (the "Transition Date"), pursuant to which goodwill/capital reserve arising from a business combination has been stated at the carrying amount prior to the date of transition under Indian GAAP. The Company has also applied the exemption for past business combinations to acquisitions of investments in subsidiaries/associates consummated prior to the Transition Date.

(ii) Share-based payment transactions

Not applicable.

Notes on Financial Statements for the year ended 31st March, 2017

(iii) Fair value as deemed cost exemption:

The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date.

(iv) Leases exemption

On the transition date, for the assets given under finance leases, the lease premium received initially is recognised as income of the Company at the inception of the lease. Annual lease rentals receivable in future are recognised at their present value. The corresponding amount due from the leasee is included in the balance sheet as lease rents receivable. Lease rents received by the Company are apportioned between finance income and reduction of the lease receivables so as to achieve a constant rate of interest on the remaining period of the lease.

(v) Cumulative translation differences

Not Applicable.

(vi) Long Term Foreign Currency Monetary Items

Not applicable.

(vii) Investments in subsidiaries, joint ventures and associates

The Company has elected to measure investment in subsidiaries, joint venture and associate at cost.

(viii) Decommissioning liabilities included in the cost of property, plant and Equipment

Not applicable.

Notes on Financial Statements for the year ended 31st March, 2017

3. Property, Plant and Equipment

(₹)

Description	Gross Block								Depreciation								Net Block		
	As at 1st April 2015	Impact on IND AS Transition	Additions 2015-16	Deductions/ Adjustments	As at 1st April 2016	Additions 2016-17	Deductions/ Adjustments 2016-17	As at 31st March 2017	As at 1st April 2015	Impact on IND AS Transition	For the year 2015-16	Deductions/ Adjustments	As at 1st April 2016	For the year 2016-17	Deductions/ Adjustments	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Tangible Assets (Owned)																			
Building	19 75 136	-	4 19 207	-	23 94 343	**24 91 931**	**-**	**48 86 274**	19 75 136	-	9 690	-	19 84 826	**1 25 245**	**-**	**21 10 071**	**27 76 203**	4 09 517	-
Plant and Equipment	85 166	-	-	-	85 166	**-**	**-**	**85 166**	80 910	-	-	-	80 910	**-**	**-**	**80 910**	**4 256**	4 256	4 256
Office Equipments	2 23 08 530	-	12 10 879	28 40 598	2 06 78 811	**17 52 710**	**2 94 592**	**2 21 36 929**	1 81 42 965	-	10 78 286	23 22 080	1 68 99 170	**13 65 285**	**2 79 864**	**1 79 84 591**	**41 52 338**	37 79 641	41 65 565
Furniture & Fixture	32 05 884	-	32 669	14 750	32 23 803	**83 225**	**-**	**33 07 028**	21 20 898	-	3 38 133	14 750	24 44 281	**5 09 488**	**-**	**29 53 769**	**3 53 259**	7 79 522	10 84 986
Vehicles	1 02 28 578	-	13 33 983	18 00 804	97 61 757	**-**	**13 16 683**	**84 45 074**	34 21 081	-	11 08 617	13 14 639	32 15 059	**11 12 204**	**8 10 802**	**35 16 461**	**49 28 613**	65 46 698	68 07 497
Others (Electrical Installation)	40 85 287	-	6 03 488	-	46 88 775	**-**	**-**	**46 88 775**	17 28 932	-	3 40 045	-	20 68 978	**3 66 249**	**-**	**24 35 227**	**22 53 548**	26 19 797	23 56 355
Total (A)	4 18 88 581	-	36 00 226	46 56 152	4 08 32 655	**43 27 866**	**16 11 275**	**4 35 49 246**	2 74 69 922	-	28 74 771	36 51 469	2 66 93 224	**34 78 471**	**10 90 666**	**2 90 81 029**	**1 44 68 217**	1 41 39 431	1 44 18 659
Intangible Assets																			
Computer Software*	15 50 833	-	-	-	15 50 833	**-**	**-**	**15 50 833**	13 89 336	-	38 225	-	14 27 561	**38 568**	**-**	**14 66 129**	**84 704**	1 23 272	1 61 497
Total (B)	15 50 833	-	-	-	15 50 833	**-**	**-**	**15 50 833**	13 89 336	-	38 225	-	14 27 561	**38 568**	**-**	**14 66 129**	**84 704**	1 23 272	1 61 497
Total (A+B)	4 34 39 414	-	36 00 226	46 56 152	4 23 83 488	**43 27 866**	**16 11 275**	**4 51 00 081**	2 88 59 258	-	29 12 996	36 51 469	2 81 20 785	**35 17 039**	**10 90 666**	**3 05 47 158**	**1 45 52 921**	1 42 62 703	1 45 80 156
Previous Year	4 67 13 782	-	52 91 554	85 65 922	4 34 39 414	36 00 226	46 56 152	4 23 83 488	2 48 20 459	-	80 15 297	39 76 493	2 88 59 258	29 12 996	36 51 469	2 81 20 785	1 42 62 703		
Capital work in progress																			

*Other than internally generated

Notes on Financial Statements for the year ended 31st March, 2017

		As at 31 March 2017 (₹)	As at 31 March 2016 (₹)	As at 1 April 2015 (₹)
4.	**Non Current Investment**			
	In Equity Shares of Subsidiary Companies			
	Unquoted at cost, fully paid up			
	10 000 (previous year Nil) Equity shares of ₹ 10 each fully paid up of Girisha Commercials Private Limited	**1 00 000**	-	-
	10 000 (previous year Nil) Equity shares of ₹ 10 each fully paid up of Devashree Commercials Private Limited	**1 00 000**	-	-
	10 000 (previous year Nil) Equity shares of ₹10 each fully paid up of Dignity Mercantile Private Limited	**1 00 000**	-	-
	10 000 (previous year Nil) Equity shares of ₹ 10 each fully paid up of Cluster Commercials Private Limited	**1 00 000**	-	-
	Nil Equity shares (Year 2015-2016, 50000 equity shares) of ₹ 10 each fully paid up of Resolute Land Consortium Projects Limited	-	-	5 00 000
		4 00 000	-	5 00 000
	Other Investment			
	Investment in Equity Shares			
	Unquoted fully paid up fair value through Profit and Loss (FVTPL)			
	Nil (Previous year 7500) Equity shares of ₹ 10 each fully paid up of Resolute Land Consortium Projects Limited	-	75 000	-
		-	75 000	-
	Total	**4 00 000**	75 000	5 00 000
4.1.	**Aggregate value of**			
	Unquoted Investments	**4 00 000**	75 000	5 00 000
5.	**Other Non Current Financial Assets**			
	Lease Rent Receivable in Future (Refer note 39)	**86 52 234**	97 30 767	1 09 44 117
	Bank Deposits with more than 12 months maturity	**9 05 00 000**	7 50 00 000	7 50 00 000
		9 91 52 234	8 47 30 767	8 59 44 117
6.	**Other Non Current Assets**			
	Security Deposits	**34 42 197**	34 42 197	36 13 197
	Amount Recoverable from Prospective Customers	**2 93 66 810**	1 99 72 000	1 99 72 000
	Prepaid Expenses	**18 90 514**	7 62 644	8 00 080
	Balance with Service Tax Authorities	**5 71 17 014**	4 91 57 508	4 92 93 811
	Total	**9 18 16 535**	7 33 34 349	7 36 79 088

Notes on Financial Statements for the year ended 31st March, 2017

		As at 31 March 2017 (₹)	As at 31 March 2016 (₹)	As at 1 April 2015 (₹)
7.	**Inventories**			
	Work- in- Progress	**6509 54 15 805**	6141 62 37 879	5531 68 66 681
	Total	**6509 54 15 805**	6141 62 37 879	5531 68 66 681

7.1. During the year, the Company has taken steps to consolidate the purchased land, undertaken land development activities in three licensed industrial colonies, coordinated and obtained various government approvals etc. The developed land will be provided to the end users for various purposes, such as industrial, residential, commercial etc. Presently, the intention of the Company is to either sell the developed land or convey the land on long term lease with upfront lease premium which would qualify to be finance lease as per the requirements of Indian Accounting Standard - 17 " Leases". Accordingly the Company has been classifying the entire land as Inventory and also interest and finance charges of ₹ 332 15 77 781 incurred during the period (Previous Year ₹ 662 95 72 397) have been considered as part of Inventory.

7.2 Inventory includes land valuing ₹ 1 10 00 000 representing 2 acres vested with the company pursuant to scheme of amalgamtion approved by Honarable High Court of Punjab & Haryana which is in the name of erstwhile company and yet to be transferred in the name of Company in revenue records of the Government of Haryana.

		As at 31 March 2017 (₹)	As at 31 March 2016 (₹)	As at 1 April 2015 (₹)
8.	**Trade Receivables**			
	Trade receivables outstanding for a period exceeding six months from the date they are due for payment			
	Unsecured, considered good	**3 06 803**	3 61 740	2 92 990
	Outstanding for a period less than six months from the date they are due for payment			
	Unsecured, considered good	**8 36 593**	-	35 21 580
	Total	**11 43 396**	3 61 740	38 14 570
9.	**Cash & Cash Equivalents**			
	Cash on Hand	**67 53 481**	21 32 546	11 19 019
	Cheques in Hand	-	19 10 766	-
	Balances with Banks			
	- in Current Accounts	**65 61 180**	5 72 430	22 87 009
		1 33 14 661	46 15 742	34 06 028
10.	**Other Current Financial Assets**			
	Interest Accrued on Fixed Deposits	**6 89 977**	7 21 819	8 10 030
	Lease Rent Receivable in Future (Refer note 39)	**10 78 533**	12 13 350	13 65 019
	Total	**17 68 510**	19 35 169	21 75 049
11.	**Current tax Assets Net**			
	Tax Deducted at Source	**90 41 354**	1 15 19 738	96 57 971
		90 41 354	1 15 19 738	96 57 971
12.	**Other Current Assets**			
	Balance with Service Tax Authorities	**11 09 447**	10 91 505	10 54 025
	Prepaid Expenses	**27 67 187**	27 23 468	18 16 323
	Others Advances	**60 17 52 430**	29 46 63 271	23 94 00 189
	Total	**60 56 29 064**	29 84 78 244	24 22 70 537

Notes on Financial Statements for the year ended 31st March, 2017

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	₹	**Numbers**	₹	Numbers	₹	Numbers
13. Share Capital						
Authorised Share Capital						
Equity Shares of ₹10/- each	**500 00 00 000**	50 00 00 000	500 00 00 000	50 00 00 000	500 00 00 000	50 00 00 000
	500 00 00 000	50 00 00 000	500 00 00 000	50 00 00 000	500 00 00 000	50 00 00 000
Issued, Subscribed & Paid up						
Equity Shares of ₹ 10/- each fully paid up	**97 00 00 000**	9 70 00 000	97 00 00 000	9 70 00 000	5 00 000	50 000
Total	**97 00 00 000**	9 70 00 000	97 00 00 000	9 70 00 000	5 00 000	50 000

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

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
	Numbers	Numbers	Numbers
Shares outstanding at the beginning of the year	**9 70 00 000**	50 000	50 000
Add: Shares Issued on right basis during the year	-	9 69 50 000	-
Shares outstanding at the end of the year	**9 70 00 000**	9 70 00 000	50 000

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

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Holding Company- Reliance Ventures Limited & its Nominees						
(Equity Shares of Rs 10 each fully paid)						
Total	**9 70 00 000**	**100%**	9 70 00 000	100%	50 000	100%
	9 70 00 000	**100%**	9 70 00 000	100%	50 000	100%

c. Terms/right attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

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

Notes on Financial Statements for the year ended 31st March, 2017

		As at 31 March 2017 (₹)	As at 31 March 2016 (₹)	As at 1 April 2015 (₹)
14.	**Other Equity**			
	Zero Coupon Optionally Fully Convertible Debentures			
	As per last Balance Sheet	**-**	-	-
	Add: Issue of Debentures during the year	**4125 92 00 000**	-	-
	Total	**4125 92 00 000**	-	-

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

	As at 31 March 2017 (₹)	As at 31 March 2016 (₹)	As at 1 April 2015 (₹)
Reserves & Surplus			
Captial Reserve (Pursuant to Scheme of Amalgmation)			
As per last Balance Sheet	**58 31 72 253**	58 52 96 239	-
Add: Accretion during the year	**-**	-	58 56 51 967
Less: Merger Expenses Paid	**-**	21 23 986	3 55 728
	58 31 72 253	58 31 72 253	58 52 96 239
Retained Earnings			
As per last Balance Sheet	**(34 80 82 743)**	(43 66 52 761)	-
Add: Net Profit/(Loss) for the Year	**(6 68 67 524)**	8 85 70 018	-
	(41 49 50 267)	**(34 80 82 743)**	**(43 66 52 761)**
Other Comprehensive Income (OCI)			
As per last Balance Sheet	**(15 45 287)**	-	-
Add: Movement in OCI (net) during the year	**(49 44 110)**	(15 45 287)	-
	(64 89 397)	(15 45 287)	-
	4142 09 32 589	**23 35 44 223**	**14 86 43 478**

Notes on Financial Statements for the year ended 31st March, 2017

	As at 31 March 2017 (₹)	As at 31 March 2016 (₹)	As at 1 April 2015 (₹)
15. Borrowings			
Unsecured Loans			
Loans from Related Parties			
From Fellow Subsidiary	**1942 59 00 000**	5331 34 00 000	4871 24 00 000
Total	**1942 59 00 000**	5331 34 00 000	4871 24 00 000

Loans outstanding as on 31st March, 2017 are repayable on 31st March,2020 and carrying interest @ 9.75% p.a , which is payable on yearly basis in the month of May of the succeeding Financial Year. The interest rate is revised to 8.5% w.e.f. 1st April, 2017.

	As at 31 March 2017 (₹)	As at 31 March 2016 (₹)	As at 1 April 2015 (₹)
16. Provisions- Non Current			
Annuity (Refer note 38)	**13 51 10 937**	16 44 91 892	12 96 32 258
Total	**13 51 10 937**	16 44 91 892	12 96 32 258
17. Deffered Tax Liabilty (Net)			
At the start of the year	**8 85 12 040**	8 97 43 107	-
Charge/(credit) to profit or loss (Refer note 43)	**(1 22 89 580)**	(12 31 067)	-
Charge to other comprehensive income	-	-	-
At the end of the year	**7 62 22 460**	8 85 12 040	8 97 43 107
18. Trade Payables			
Trade Payables	**2 57 24 791**	1 70 38 248	1 83 33 766
Payable to Related Party	**76 073**	-	-
	2 58 00 864	1 70 38 248	1 83 33 766

18.1 Trade Payable

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

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

	As at 31 March 2017 (₹)	As at 31 March 2016 (₹)	As at 1 April 2015 (₹)
19. Other Financial Liabilities			
Interest Accrued but not Due on Loans	**331 79 24 045**	662 95 72 396	619 60 07 521
	331 79 24 045	662 95 72 396	619 60 07 521

Notes on Financial Statements for the year ended 31st March, 2017

		As at 31 March 2017 (₹)	As at 31 March 2016 (₹)	As at 1 April 2015 (₹)
20.	**Provisions**			
(a)	**Provision for Employee Benefits**			
	Provision For Leave Encashment	**43 41 831**	58 99 117	49 14 186
	Provision for Superannuation	**11 32 037**	16 194	8 278
(b)	**Others**			
	Provision for Estimated Cost Over Revenue*	**1 25 49 256**	1 30 58 923	1 31 88 892
	Annuity (Refer note 38)	**5 03 45 455**	2 62 29 344	4 06 14 314
	Total	**6 83 68 579**	4 52 03 578	5 87 25 670

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

		As at 31 March 2017 (₹)	As at 31 March 2016 (₹)	As at 1 April 2015 (₹)
21.	**Other Current Liabilities**			
	Advance received from Customers	**30 14 49 862**	27 41 75 275	18 54 19 887
	Annuity (Refer note 38)	**18 19 56 539**	16 47 01 532	14 62 66 089
	Other Liabilities*	**85 68 605**	49 12 147	6 72 22 421
	Total	**49 19 75 006**	44 37 88 954	39 89 08 397

* Includes statutory dues and emloyees benefits

Notes on Financial Statements for the year ended 31st March, 2017

			2016 - 17 (₹)		2015 - 16 (₹)
22.	**Revenue From Operations**				
	Sale of Land		**29 90 17 329**		114 95 53 125
	Lease Premium		**50 87 913**		40 24 609
	Compensation for Compulsorily Acquisition of Land (Refer Note 36)		**10 03 79 932**		81 96 654
	Finance Income against Lease Rental		**3 22 298**		1 70 627
	Other Operating Income				
	Common Service Charges	**74 86 615**		62 49 162	
	Less:Service Tax Recovered	**9 69 709**	**65 16 906**	7 19 778	55 29 384
	Total		**41 13 24 378**		116 74 74 399
23.	**Other Income**				
	Interest Income on Fixed Deposit with scheduled bank		**63 96 263**		64 65 852
	Interest Received Others		**5 29 000**		-
	Profit on Sale of Property, Plant & Equipment		**16 212**		48 585
	Miscellaneous Income		**1 27 382**		3 20 255
	Total		**70 68 857**		68 34 692
24.	**Changes in Inventories**				
	Projects under Development (Work-in-Progress at commencement)		**6141 62 37 879**		5531 68 66 681
	Projects under Development (Work-in-Progress at close)		**6509 54 15 805**		6141 62 37 879
	Total Change in Inventories		**(367 91 77 926)**		(609 93 71 198)
25.	**Employee Benefits Expense**				
	Salaries and wages		**9 59 34 812**		7 29 86 193
	Contribution to Provident and other Fund		**63 86 621**		40 56 139
	Staff welfare expenses		**61 52 038**		48 16 055
	Total		**10 84 73 471**		8 18 58 387
26.	**Finance Cost**				
	Interest on Unsecured Loan		**332 15 77 781**		662 95 72 397
	Finance Charges		**25 88 622**		18 27 726
	Finance Charges-Discounting Difference		**39 83 304**		15 98 332
	Total		**332 81 49 707**		663 29 98 455

Notes on Financial Statements for the year ended 31st March, 2017

		2016 - 17 (₹)	2015 - 16 (₹)
27.	**Other Expenses**		
	Land Cost	**32 02 17 740**	12 97 22 966
	Land Development Cost	**9 00 67 162**	1 41 35 324
	Annuity Expenses	**16 38 94 555**	18 18 76 882
	Salaries & Wages - Contractors	**3 44 39 454**	3 81 79 997
	Rent	**1 42 83 523**	1 48 77 219
	Rates & Taxes	**1 28 862**	32 831
	Insurance	**18 03 413**	8 77 331
	Telephone Expenses	**8 58 358**	7 17 003
	Travelling & Local Conveyance	**1 57 31 649**	1 38 63 994
	Power & Fuel	**54 60 499**	54 20 041
	Repair & Maintenance		
	- Plant and Machinery	**4 58 869**	8 57 107
	- Buildings	**20 29 469**	33 17 196
	- Others	**28 96 385**	7 96 916
	Professional & Consultancy Fees	**2 00 48 967**	2 21 14 001
	Security Expenses	**2 00 56 791**	1 80 91 517
	Social Programme Expenses	**50 58 259**	54 16 105
	Payment to Auditors (Refer note 27.1)	**23 72 956**	21 64 342
	Director Sitting Fees	**5 57 775**	7 48 133
	Loss on Sale/ Discarding of Property, Plant & Equipment	**57 947**	6 95 509
	General Expenses	**3 66 75 080**	1 50 99 370
	Reversal of Provision for Estimated Cost Over Revenue	**(5 09 665)**	(1 29 970)
	Total	**73 65 88 048**	46 88 73 814

27.1 Payment to Auditors (including Service Tax)

	2016 - 17 (₹)	2015 - 16 (₹)
Statutory Audit fees	**19 55 000**	18 32 000
Tax Audit fees	**3 56 500**	3 20 600
Certification Fees	**40 250**	-
Out of pocket expenses	**21 206**	11 742
Total	**23 72 956**	21 64 342

		2016 - 17	2015 - 16
28.	**Earning per share (EPS)**		
	Net Profit / (Loss) after tax as per Statement of Profit and Loss (₹), attributable to Equity Shareholders	**(7 18 11 634)**	8 85 70 018
	Weighted Average number of equity shares used as denominator for calculating EPS	**9 70 00 000**	3 98 92 760
	Basic Earning per share (₹)	**(0.74)**	2.22
	Diluted Earning per share (₹)*	**(0.74)**	2.22
	Face Value per equity share (₹)	**10**	10

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

Notes on Financial Statements for the year ended 31st March, 2017

29 Related Party Disclosures

As per Indian Accounting Standard 24, the disclosures of transactions with the related parties are given below:

(i) List of related parties where control exists and related parties with whom transactions have taken place and the relationship:

S. No.	Name of the Related Party	Relationship
1	Reliance Ventures Limited (RVL)	Holding Company
2	Reliance Industries Limited	Holding Company of RVL
3	Resolute Land Consortium Projects Limited (Formerly known as Model Economic Township Ltd.)	Subsidiary Company till 29th February, 2016
4	Reliance Jio Infocomm Limited	Fellow Subsidiary of Holding Company
5	Reliance Retail Limited	Fellow Subsidiary of Holding Company
6	Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary of Holding Company
7	Reliance World Trade Private limited	Fellow Subsidiary of Holding Company
8	Devashree Commercials Private Limited	Subsidiary Company w.e.f 12th Jan,2017
9	Girisha Commercial Private Limited	Subsidiary Company w.e.f 12th Jan,2017
10	Cluster Commercial Private Limited	Subsidiary Company w.e.f 12th Jan,2017
11	Dignity Mercantile Private Limited	Subsidiary Company w.e.f 12th Jan,2017
12	Shri Shrivallabh Goyal, Whole Time Director	Key Managerial Personnel
13	Shri Sudhir Jain , Chief Financial Officer	
14	Shri Dheeraj Kandhari, Company Secretary	

(ii) Transactions and closing balance during the year with the Related Parties: Amount in ₹

S. No.	Nature of Transactions (Excluding reimbursements)	Holding Company	Holding Company of RVL	Subsidiaries Company	Fellow Subsidiaries of Holding Company	Key Managerial Personnel
(A)	**Transactions during the year**					
1.	Unsecured Loans Received	-	-	-	**776 45 00 000**	-
		-	-	-	*690 10 00 000*	-
2.	Unsecured Loans Repaid	-	-	-	***4165 20 00 000***	-
		-	-	-	*230 00 00 000*	-
3.	Interest on unsecured loan	-	-	-	**332 15 77 781**	-
		-	-	-	*662 95 72 397*	-
4.	Lease Rent Received	-	**4 83 656**	-	-	-
		-	*4 74 617*	-	-	-
5.	Payment to Key Managerial Personnel	-	-	-	-	**2 65 54 720**
		-	-	-	-	*26 28 330*
6.	Issue of Zero Coupon Optionally Fully	-	-	-	**4125 92 00 000**	-
	Convertible Debentures	-	-	-	-	-
7.	Corporate Guarantee received	-	**6 00 000**	-	-	-
		-	*9 59 10 435*	-	-	-
8.	Fixed AssetsPurchased/(Sale)(Net)	-	-	-	**1 07 140**	-
		-	-	-	*1 92 388*	-
9.	Advance for land purchase	-	-	**1 64 899**	-	-
		-	-	-	-	-
10.	Other Expenses	-	-	-	**66 62 840**	-
		-	-	-	*25 37 398*	-
11.	Purchase / (Sale) of investments	-	-	**4 00 000**	-	-
		-	-	*(4 25 000)*	-	-

Notes on Financial Statements for the year ended 31st March, 2017

Amount in ₹

S. No.	Nature of Transactions (Excluding reimbursements)	Holding Company	Holding Company of RVL	Subsidiaries Company	Fellow Subsidiaries of Holding Company	Key Managerial Personnel
(B)	**Balance at the end of the year**					
1.	Unsecured Loans	-	-	-	**1942 59 00 000**	-
		-	-	-	*5331 34 00 000*	-
2.	Investments	-	-	**4 00 000**	-	-
		-	-	*75 000*	-	-
3.	Interest accrued but not due	-	-	-	**331 79 24 045**	-
		-	-	-	*662 95 72 397*	-
	Zero Coupon Optionally Fully Convertible Debentures	-	-	-	**4125 92 00 000**	-
		-	-	-	-	-
4.	Corporate Guarantee received	-	**37 84 71 410**	-	-	-
		-	*37 78 71 410*	-	-	-
5.	Advance for land purchase	-	-	**22 73 00 000**	-	-
		-	-	-	-	-
6.	Advance / Payable	-	-	-	**(76 073)**	-
		-	-	-	*2 000*	-

Note: Figures in italics represent that of previous year.

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

Unsecured Loans received includes ₹ 776 45 00 000 (Previous Year Rs. 690 10 00 000) received from Reliance Industrial Investments And Holdings Limited.

Unsecured Loans repaid includes ₹ 4165 20 00 000 (Previous Year ₹ 230 00 00 000) paid to Reliance Industrial Investments And Holdings Limited.

Interest on Unsecured Loan to Reliance Industrial Investments And Holdings Limited ₹ 332 15 77 781 (Previous year ₹ 662 95 72 397).

Lease rent from Long term lease of land to Reliance Industries Limited ₹ 4 83 656 (Previous Year ₹ 4 74 617)

Zero Coupon Optionally Fully Convertible Debentures includes ₹ 4125 92 00 000 (Previous Year Nil) issued to Reliance World Trade Private Limited.

Payment to Key Managerial Personnel includes ₹ 2 65 54 720 (Previous Year ₹ 15 39 042).

Corporate Guarantee received during the year ₹ 6 00 000 (Previous Year ₹ 9 59 10 435)

Fixed Assets purchases include from Reliance Retail Limited ₹ 1 07 140 (Previous Year ₹ 1 92 388).

Advance given for land includes ₹ 1 00 000 (Previous Year Nil) to Girisha Commercial Private Limited, and ₹ 64 899 (Previous Year Nil) to Dignity Mercantile Private Limited.

Other Expenses include purchase / services from Reliance Retail Limited ₹ 66 62 840 (Previous Year ₹ 25 37 398).

Investment in Resolute Land Consortium Projects Limited has been diluted by 15% amounting ₹ 75 000 (Previous Year ₹ 4 25 000). Investment made in Devashree Commercials Private Limited by ₹ 1 00 000 (Previous Year Nil), Girisha Commercial Private Limited 1 00 000 (Previous Year Nil), Cluster Commercial Private Limited 1 00 000 (Previous Year Nil) and Dignity Mercantile Private Limited 1 00 000 (Previous Year Nil).

Balance at the end of the year includes:

Unsecured loan taken from Reliance Industrial Investments And Holdings Limited ₹ 1942 59 00 000 (previous year ₹ 5331 34 00 000).

Investment in Devashree Commercials Private Limited ₹ 1 00 000 (Previous Year Nil), Girisha Commercial Private Limited ₹ 1 00 000 (Previous Year Nil), Cluster Commercial Private Limited ₹ 1 00 000 (Previous Year Nil) and Dignity Mercantile

Notes on Financial Statements for the year ended 31st March, 2017

Private Limited ₹ 1 00 000 (Previous Year Nil) .

Interest accrued but not due to Reliance Industrial Investments And Holdings Limited ₹ 331 79 24 045 (Previous Year ₹ 662 95 72 397).

Zero Coupon Optionally Fully Convertible Debentures issued to Reliance World Trade Private Limited ₹ 4125 92 00 000 (Previous Year Nil).

Corporate guarantee provided by Reliance Industries Limited ₹ 37 84 71 410 (previous year ₹ 37 78 71 410).

Advance for land purchase to Devashree Commercials Private Limited ₹ 13 91 00 000 (Previous Year ₹ 13 91 00 000), Girisha Commercial Private Limited ₹ 2 45 00 000 (Previous Year ₹ 2 71 00 000), Cluster Commercial Private Limited ₹ 2 05 00 000 (Previous Year ₹ 2 35 00 000) and Dignity Mercantile Private Limited ₹ 4 32 00 000 (Previous Year ₹ 1 95 00 000).

Advance/(Payable) for services to Reliance Retail Limited ₹ (76 073) (Previous Year ₹ 2 000)

Note:

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

29.1 Compensation of Key managerial personnel

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

S.N.	Particulars	2016-17	2015-16
1.	Short term benefits	**2 65 54 720**	26 28 330
2.	Post-employment benefits	**71 77 317**	66 78 376
	Total	**3 37 32 037**	93 06 706

30 Contingent Liability & Commitments

		2016 - 17 (₹)	2015 - 16 (₹)
	Contingent Liabilities		
(i)	Bank Guarantees	**37 84 71 410**	37 78 71 410

(ii) In respect of private purchase of land by the Company, 1 writ and 1 revision second appeal are pending against the Company in Punjab and Haryana High Court and 32 civil suits (previous year 45 civil suits) of various nature are pending in district courts. Company is of the view that most of these cases are not tenable and no material liability will arise.

Commitments

Others

		2016 - 17 (₹)	2015 - 16 (₹)
a.	Estimated amount of contracts remaining to be executed as on 31st March, 2017 (net of advances) and not provided for	**11 40 91 343**	2 82 01 495
b.	MoUs executed with Land Sellers (net of advances)	**3 63 68 791**	5 51 16 818
c.	Estimated cost to be incurred in connection with development of Industrial colonies under license issued by Directorate of Town & Country Planning, Government of Haryana	**25 73 50 446**	26 45 23 527
d.	Rent of offices for unexpired period of rent agreement	**11 95 72 444**	2 03 34 058

31 Capital Management

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

Notes on Financial Statements for the year ended 31st March, 2017

32 Financial Instruments

The financial assets are valued at fair value using discounted cash flow analysis. Amount in ₹

Fair value measurement hierarchy

Particulars	**As at 31st March, 2017**		**As at 31st March, 2016**		**As at 1st April, 2015**	
	Carrying amount	**Level of inputs used**	**Carrying amount**	**Level of inputs used**	**Carrying amount**	**Level of inputs used**
Financial Assets						
At Amortized Cost						
Trade Receivable	11 43 396	-	3 61 740	-	38 14 570	-
Cash and Cash Equivalent	1 33 14 661	-	46 15 742	-	34 06 028	-
Other Financial Asset	10 09 20 744	-	8 66 65 936	-	8 81 19 166	-
At FVTPL	-	-	-	-	-	-
At FVTOCI	-	-	-	-	-	-
Financials Liability						
At Amortised Cost						
Trade Payable	2 58 00 864	-	1 70 38 248	-	1 83 33 766	-
Other Financials Liability	331 79 24 045	-	662 95 72 396	-	619 60 07 521	
At FVTPL	-	-	-	-	-	-
At FVTOCI	-	-	-	-	-	-

Interest rate risk

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

Amount in ₹

Particulars	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
Long term loans	1942 59 00 000	5331 34 00 000	4871 24 00 000

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

Interest rate sensitivity	**As at 31st March, 2017**		As at 31st March, 2016	
	Up Move	**Down Move**	Up Move	Down Move
Impact on equity	-	-	-	-
Impact on Profit or Loss	-	-	-	-

Credit Risk

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

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

Liquidity Risk

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

Notes on Financial Statements for the year ended 31st March, 2017

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

34 Details of loans given, investments made and guarantee given covered under section 186 (4) of Companies Act 2013 are as under:

Amount in ₹

S.N.	Name of company	As at 31st March, 2017	As at 31st March, 2016
(A)	**Investments in full paid up equity shares**		
1.	Resolute Land Consortium Project Limited	-	75 000
2.	Devashree Commercials Private Limited	1 00 000	-
3.	Girisha Commercials Private Limited	1 00 000	-
4.	Cluster Commercial Private Limited	1 00 000	-
5.	Dignity Mercantile Private Limited	1 00 000	-

35 **Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016 are as under:**

Amount in ₹

	SBN	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	53 70 000	69 48 445	1 23 18 445
(+) Permitted receipts	-	2 05 890	2 05 890
(-) Permitted payments	-	3 36 000	3 36 000
(-) Amount deposited in Banks	53 70 000	-	53 70 000
Closing cash in in hand as on 30.12.2016	-	68 18 335	68 18 335

36 During the year the Government of Haryana (GoH) has acquired 9.62 acres (Previous Year 1.19 acres) land for the public purpose out of the private purchased land of the Company. Cost of this land amounting to ₹ 8 09 15 429 (Previous Year ₹ 83 79 739) and compensation of ₹ 10 03 79 932 (Previous Year ₹ 81 96 654) received by the company from GoH on such compulsory acquisition of land have been recognized in the Statement of Profit and Loss.

37 During the year, the Company made investments in equity shares of four private companies, namely Devashree Commercials Private Limited, Girisha Commercials Private Limited, Cluster Commercial Private Limited and Dignity Mercantile Private Limited, and as a result these companies became wholly owned subsidiaries of the Company on 12th January, 2017. Subsequently, these subsidiary companies filed a Scheme of Amalgamation (the Scheme) with the Company to Central Government under section 233 of the Companies Act 2013. The approval of the Central Government is awaited.

38 For the land purchased by the Company, the Company has formulated its own annuity scheme on voluntary basis for the payment of annuity to land sellers meeting the eligibility criteria and has provided for annuity on annual basis. The amount of undiscounted annuity provision as at 31st March, 2017 is ₹ Rs 18 19 56 538 (Previous year ₹16 47 01 531). In respect of land covered under licensed area and land sold/leased out, the Company has decided to pay annuity on yearly basis to land sellers, irrespective of their meeting the eligibility conditions and in such cases, has made the provision for full term of 33 years. The amount of undiscounted annuity provision for 33 years as at 31st March, 2017 is ₹ 67 02 83 875 (Previous year ₹ 66 49 32 564). During the year, Company has adopted Indian Accounting Standards with transition date being 1st April, 2015 and as per the requirement of Ind AS- 37 (provisions, contingent liabilities and contingent assets), it has made fair value of such annuity provisions. Thus after carrying out the adjustment as required, the discounted amount of annuity provision as on 31st March, 2017 stands at ₹ 36 74 12 930 (Previous year – ₹ 35 54 22 766). Such provisions will be re-measured in subsequent years as per the requirement of Indian Accounting Standards.

Notes on Financial Statements for the year ended 31st March, 2017

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

	Particulars	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
1.	Gross lease rentals receivable	15 30 06 607	15 45 42 253	15 60 77 899
2.	Present value of minimum lease payments receivable	97 30 767	1 09 44 117	1 23 09 136
(a)	Not later than one year	10 78 533	12 13 350	13 65 019
(b)	Later than one year but not later than five years	38 40 190	43 20 214	48 60 241
(c)	Later than five years	48 12 044	54 10 553	60 83 876
3.	Unearned Finance Income	14 32 75 840	14 35 98 136	14 37 68 763

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

S.N.	**Particulars**	**As at 31st March 2017**	**As at 31st March 2016**	**As at 1st April, 2015**
1.	Balance at the beginning	35 54 22 766	31 65 12 661	-
2.	Add provisions made during the year	16 38 94 555	18 18 76 882	
3.	Less:			
(a)	Amount used/charged against the provisions during the year	15 58 87 695	14 45 65 109	-
(b)	Unused amount reversed during the year	-	-	-
4.	Increase during the year in undiscounted amount arising from unwinding of discounting	39 83 304	15 98 332	
5.	Balance at the end	36 74 12 930	35 54 22 766	31 65 12 661

41 Employee Benefits

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

Defined Contribution Plans:

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

	2016-17	2015-16
Employer's Contribution to Provident Fund	**40 83 366**	**23 57 466**
Employer's Contribution to Superannuation Fund	**2 33 692**	**1 10 998**
Employer's Contribution to Pension Scheme	**7 48 663**	**6 81 502**

Notes on Financial Statements for the year ended 31st March, 2017

Defined Benefit Plan

I. Reconciliation of opening and closing balances of Defined Benefit Obligation (₹)

Particulars	Gratuity (Funded)	
	2016-17	2015-16
Defined Benefit Obligation at beginning of the year	**68 64 404**	56 97 320
Current Service cost	**9 11 982**	7 52 506
Interest Cost	**5 49 152**	4 55 786
Liability Transferred In/Acquisitions	-	81 965
Actuarial (gain) / loss on obligations due to change in financial assumptions	**2 48 963**	**-**
Actuarial (gain) / loss	**46 75 502**	15 78 486
Benefits paid	**(7 18 592)**	(17 01 659)
Defined Benefit obligation at year end	**1 25 31 411**	68 64 404

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

Particulars	Gratuity (Funded)	
	2016-17	2015-16
Fair Value of Plan Assets at beginning of the year	**99 68 708**	58 52 579
Expected Return on Plan Assets	**7 97 497**	4 68 206
Liability Transferred In/Acquisitions	**-**	81 965
Actuarial Gain / (Loss)	**(19 645)**	33 199
Employers Contribution	-	52 34 418
Benefits paid	**(7 18 592)**	(17 01 659)
Fair value of Plan assets at year end	**1 00 27 968**	99 68 708

III. Reconciliation of fair value of Assets and Obligations

Particulars	Gratuity (Funded)	
	2016-17	2015-16
Fair value of Plan Assets	**1 00 27 968**	99 68 708
Present value of Obligation	**(1 25 31 411)**	(68 64 404)
Net (Liability)/Asset Recognized in the Balance Sheet	**(25 03 443)**	31 04 304

IV. Expenses recognized during the year

Particulars	Gratuity (Funded)	
	2016-17	2015-16
In Income Statement		
Current Service Cost	**9 11 982**	7 52 506
Interest Cost	**(2 48 345)**	(12 420)
Net Cost	**6 63 637**	7 40 086
In Other Comprehensive Income		
Actuarial (Gain) / Loss	**49 24 465**	15 78 486
Return On Plan Assets	**19 645**	(33 199)
Net (Income)/ Expense For the period Recognized in OCI	**49 44 110**	15 45 287

Notes on Financial Statements for the year ended 31st March, 2017

V. Investment Details (₹)

Particulars	Gratuity (Funded)	
	2016-17	2015-16
Insurance Fund	**1 00 27 968**	99 68 708

VI. Actuarial assumptions

Particulars	Gratuity (Funded)	
	2016-17	2015-16
	2006-08	**2006-08**
(Ultimate)	**(Ultimate)**	
Expected rate of return on Plan Assets (per annum)	**7.46%**	8.00%
Discount Rate (per annum)	**7.46%**	8.00%
Rate of escalation in Salary (per annum)	**6.00%**	6.00%
Rate of Employee Turnover	**2.00%**	2.00%

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

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

VII. The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2016-17.

VIII. Sensitivity Analysis

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

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
	Decrease	**Increase**	**Decrease**	**Increase**
Projected Benefit Obligation on Current Assumption	**1 25 31 411**		**68 64 404**	
Change in Discounting Rate (Delta Effect of +/-0.5%)	**2 47 434**	**(2 31 134)**	2 10 623	(1 96 865)
Change in rate of Salary Increase (Delta Effect of +/-0.5%)	**(2 35 284)**	**2 49 740**	(2 01 374)	2 13 692
Change in rate of Employee Turnover (Delta Effect of +/-0.5%)	**(29 430)**	**27 864**	(35 332)	33 483

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

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

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

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

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

Notes on Financial Statements for the year ended 31st March, 2017

42 Taxation (₹)

Particulars	**Year ended**	
	31st March, 2017	**31st March, 2016**
Income tax recognized in Statement of profit and loss		
Current tax	-	-
Deferred tax	(1 22 89 580)	(12 31 067)

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

Particulars	**Year ended**	
	31st March, 2017	**31st March, 2016**
Profit before tax	(7 96 03 609)	8 70 36 637
Applicable tax rate	30.09%	30.09%
Computed tax expense	(2 45 97 515)	2 68 94 320
Tax effect of:		
Exempted Income	-	-
Expenses disallowed	1 12 33 356	-
Additional allowances net of MAT credit	-	(3 10 17 948)
Current tax provision (A)	(1 33 64 159)	(41 23 628)
Incremental deferred tax liability on account of tangible and intangible assets	3 33 090	(8 601)
Incremental deferred tax asset on account of financial assets and other items	(1 26 22 670)	(12 22 465)
Deferred tax provision (B)	(122 89 580)	(12 31 066)
Tax expenses recognized in Statement of Profit and Loss (A+B)	(2 56 53 739)	(53 54 694)
Effective tax rare	(32.22%)	(6.15%)

43 The Deferred Tax Liability/Asset comprise of the following: (₹)

	As at 1st April,2016	**Charge/ (Credit) to profit or loss**	**Others**	**As at 31st March,2017**
Deferred Tax Liabilities /Asset in relation to				
Property, plant and equipment	7 88 010	3 33 090	-	4 54 920
Financial assets at FVTPL	18 27 831	4 86 205	-	13 41 626
Financial assets at FVTOCI	(9 11 27 881)	(131 08 875)	-	(7 80 19 006)
Total	**(8 85 12 040)**	**(1 22 89 580)**	**-**	**(7 62 24 460)**

Notes on Financial Statements for the year ended 31st March, 2017

44 FIRST TIME IND AS ADOPTION RECONCILIATIONS

44.1 Effect of Ind AS adoption on the stand alone balance sheet as at 31st March, 2016 and 1st April, 2015

₹

	As at 31st March 2016			As at 1st April 2015		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Assets						
Non-current Assets						
Property , Plant and Equipments	1 41 39 431	-	1 41 39 431	1 44 18 659	-	1 44 18 659
Other Intangible Assets	1 23 272	-	1 23 272	1 61 497	-	1 61 497
Financial Assets						
Investments	75 000	-	75 000	5 00 000	-	5 00 000
Other non-current assets	14 83 34 348	97 30 768	15 80 65 116	14 86 79 087	1 09 44 117	15 96 23 204
Total non-current assets	**16 89 57 420**	**97 30 768**	**17 85 36 517**	**16 37 59 242**	**1 09 44 117**	**17 47 03 360**
Current Assets						
Inventories	6149 20 94 318	(7 58 56 439)	6141 62 37 879	5539 27 23 122	(7 58 56 441)	5531 68 66 681
Financial Assets						
Trade Receivables	3 61 740	-	3 61 740	38 14 570	-	38 14 570
Cash and cash equivalents	46 15 742	-	46 15 742	34 06 028	-	34 06 028
Others	7 21 819	-	7 21 819	8 10 030	-	8 10 030
Current Tax Assets (Net)	1 15 19 738	-	1 15 19 738	96 57 971	-	96 57 971
Other current assets	29 84 78 244	12 13 350	29 96 91 594	24 22 70 537	13 65 019	24 36 35 556
Total current assets	**6180 77 91 601**	**(7 46 43 089)**	**6173 31 48 512**	**5565 26 82 258**	**(7 44 91 422)**	**5557 81 90 836**
Total Assets	**6197 04 63 653**	**(6 49 12 324)**	**6190 55 51 330**	**5581 64 41 500**	**(6 35 47 305)**	**5575 28 94 195**
Equity and Liabilities						
Equity						
Equity share capital	97 00 00 000	-	97 00 00 000	5 00 000	-	5 00 000
Other Equity	(8 62 28 701)	31 97 72 924	23 35 44 223	(6 77 36 286)	21 63 79 763	14 86 43 477
Total equity	**88 37 71 299**	**31 97 72 924**	**120 35 44 223**	**(6 72 36 286)**	**21 63 79 763**	**14 91 43 477**
Non-current liabilities						
Financial liabilities						
Long term borrowings	5331 34 00 000	-	5331 34 00 000	4871 24 00 000	-	4871 24 00 000
Long term Provision –Annuity	64 59 37 867	(48 14 45 975)	16 44 91 892	52 65 93 580	(39 69 61 321)	12 96 32 258
Deferred Tax Provision	-	8 85 12 040	8 85 12 040	-	8 97 43 107	8 97 43 107
Total non-current liabilities	**5395 93 37 867**	**(39 29 33 935)**	**5356 64 03 932**	**4923 89 93 580**	**(30 72 18 214)**	**4893 17 75 365**
Current liabilities						
Financial liabilities						
Trade and other payables	1 70 38 248	-	1 70 38 248	1 83 33 766	-	1 83 33 766
Other financial liabilities	662 95 72 397	-	662 95 72 397	619 60 07 521	-	619 60 07 521
Other Current Liabilities	42 30 56 164	2 07 32 789	44 37 88 953	37 81 95 238	2 07 13 159	39 89 08 396
Short Term Provisions	5 76 87 678	(1 24 84 100)	4 52 03 578	5 21 47 682	65 77 988	5 87 25 670
Total current liabilities	**712 73 54 488**	**82 48 688**	**713 56 03 176**	**664 46 84 207**	**2 72 91 147**	**664 57 46 010**
Total Equity and Liabilities	**6197 04 63 654**	**(6 49 12 324)**	**6190 55 51 330**	**5581 64 41 500**	**(6 35 47 305)**	**5575 28 94 195**

Notes on Financial Statements for the year ended 31st March, 2017

44.2 Effect of Ind AS adoption on Statement of profit and loss for the year ended 31st March, 2016

₹

	Year ended 31/03/2016		
	Previous GAAP	**Effect of transition to Ind AS**	**As per Ind AS balance sheet**
INCOME			
Revenue from operations	116 88 59 048	(13 84 648)	116 74 74 399
Other Income	68 34 692	-	68 34 692
Total Income	**117 56 93 740**	**(13 84 648)**	**117 43 09 091**
EXPENDITURE			
Change in inventories	(609 93 71 196)	-	(609 93 71 198)
Employee benefit expenses	8 34 03 673	(15 45 287)	8 18 58 387
Finance cost	663 14 00 123	15 98 332	663 29 98 455
Depreciation and Amortization expenses	29 12 996	-	29 12 996
Other Expenses	57 40 18 887	(10 51 45 074)	46 88 73 814
Total Expenditure	**119 23 64 483**	**(10 35 46 742)**	**108 72 72 454**
Profit/(loss) before tax	**(1 66 70 743)**	**(10 21 62 094)**	**8 70 36 637**
Tax expenses			
Current tax	-	-	-
Deferred tax	-	(12 31 067)	(12 31 067)
Previous year tax	(3 02 314)	-	(3 02 314)
Profit/(loss) for the year	**(1 63 68 429)**	**10 33 93 161**	**8 85 70 018**

44.3 Reconciliation of Profit and Other Equity between Ind AS and previous GAAP (₹)

S.N.	**Nature of Adjustment**	**Profit for the Year ended**	**Other Equity**	
		As at 31st March, 2016	**As at 31st March, 2016**	**As at 1st April, 2015**
	Net profit/(loss) /Other Equity as per previous Indian GAAP	**(1 63 68 429)**	**(8 62 28 701)**	**(6 77 36 286)**
	Adjustment for Merger Expenditure	21 23 986	-	-
	Net profit/(loss) /Other Equity as per previous Indian GAAP after adjustment of merger expenses	(1 84 92 415)	(8 62 28 701)	(6 77 36 286)
	Adjustments for:			
1.	Fair value of annuity (refer note a)	10 35 46 742	39 73 40 847	29 38 13 733
2.	Deferred Tax liability (refer note b)	12 31 067	(8 85 12 040)	(8 97 43 107)
3.	Fair value of lease rents (refer note c)	(13 84 648)	1 09 44 117	1 23 09 136
	Subtotal (1 to 3)	**10 33 93 161**	**31 97 72 924**	**21 63 79 762**
	Net profit/(loss) before OCI/Other equity as per Ind As	**8 49 00 746**	**23 35 44 223**	**14 86 43 476**

Notes on Financial Statements for the year ended 31st March, 2017

Notes

(a) **Fair value of annuity**- As per Ind AS -, the provisions made for annuity payable over a long period is required to be accounted at discounted value as per Ind-AS as against the full value as per the previous Indian GAAP. Accordingly the difference between the value of provision for annuity and discounted value has been adjusted to the retained earnings. The consequential impact of cost of land inventory already sold and projects in development has also been recognized in the retained earnings.-Similarly, consequential impact on cost of land inventory remaining un-sold has been adjusted in the carrying cost of land inventory.

(b) **Deferred tax** – The impact of transition adjustments together with Ind-AS mandate of using balance sheet approach (against profit and loss approach in the previous Indian GAAP) for computation of deferred taxes has resulted in charge to the Reserves, on the date of transition, with consequential impact to the statement of Profit and Loss for subsequent periods.

(c) **Adjustment for property given on lease** – As per Ind-AS, the land given on long term lease is required to be treated as finance lease under Ind-AS where as in the earlier Indian GAPP such transaction were excluded from lease accounting. The lease rentals receivable in future have been discounted and the resultant change due to change in the accounting policy as on the transition date has been adjusted to retained earnings.

45. The financial statements were approved for issue by Board of directors on 10th April, 2017.

As per our Report of even date

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

R. Koria
Partner
Membership No : 35629

Place : Mumbai
Date : 10th Apri1,2017

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 : 10th Apri1,2017