

MODEL ECONOMIC TOWNSHIP LIMITED
FINANCIAL STATEMENTS 2018-19

Independent Auditor's Report

To the Members of Model Economic Township Limited

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Model Economic Township Limited (“the Company”)**, which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its loss, including comprehensive income, the changes in Equity for the year ended on that date.

Basis of Opinion

We conducted our audit of financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the director's report included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 implementation and maintenance of work of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement,

whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ¶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), and the Cash Flow Statement and statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 B**".

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- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31st March, 2019 on its financial position in its financial statements. Refer Note no.30 to the financial Statements.
 - ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long - term contracts
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For D T S & Associates

Chartered Accountants

(Firm Registration No. 142412W)

Nirmal Kumar Burad

Partner

Membership No. 71041

Place: Mumbai,

Dated: 9th April, 2019

“ANNEXURE A “ TO INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date to the members of Model Economic Township Limited on the financial statements for the year ended on 31st March 2019)

- (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) According to the information and explanations given by the management, the company does not hold any immovable properties as fixed assets except investment property, the title deeds of which are held in the name of 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 (iii) of paragraph 3 of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not made any investments and not granted any loan or provided any guarantee or security during the year to parties covered under section 185 of the Act and hence provision of section 185 & 186 are not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the construction activities, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (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, custom duty, Goods and Service Tax, Cess and any other statutory dues with appropriate authorities as applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were outstanding, as at 31st March, 2019 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, duty of custom, duty of excise, Value added tax and goods and service 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 institution, bank or government. Accordingly, the provisions of Clause (viii) of paragraph 3 of the Order are not applicable to the Company.
- (ix) According to the information and explanations given to us the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and no term loans were raised and hence provisions of Clause (ix) of paragraph 3 of the Order are not applicable to the Company.
- (x) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the company or on the Company by the officers and employees of the company has been noticed or reported during the year.
- (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, the company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable Indian accounting standards.

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- (xiv) According to the information and explanations provided to us and on an overall examination of balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us by the management, 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) According to the information and explanations provided to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934, are not applicable to the Company.

For D T S & Associates

Chartered Accountants

(Firm Registration No. 142412W)

Nirmal Kumar Burad

Partner

Membership No. 71041

Place: Mumbai,

Dated: 9th April, 2019

“ANNEXURE (B)” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under the heading “report on other legal and regulatory requirements” of our report of even date on the financial statements of Model Economic Township Limited for the year ended 31st March 2019)

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

We have audited the internal financial controls over financial reporting of **Model Economic Township Limited** (“the Company”) as of 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the 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 and the Standards on Auditing, 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 31st March, 2019, 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.

For D T S & Associates

Chartered Accountants

(Firm Registration No. 142412W)

Nirmal Kumar Burad

Partner

Membership No. 71041

Place: Mumbai,

Dated: 9th April, 2019

Balance Sheet as at 31st March, 2019

	Notes	As at 31st March 2019 (Rs Lakhs)	As at 31st March 2018 (Rs Lakhs)
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	95	99
Investment Property	4	233	-
Intangible assets	3	1	1
Financial Assets			
Other Financial Assets	5	70	1 286
Other Non Current Assets	6	2 232	1 447
Total Non -Current assets		2 631	2 833
Current assets			
Inventories	7	6 79 043	6 67 890
Financial Assets			
Trade Receivables	8	15	3
Cash and cash equivalents	9	844	112
Other Financial Assets	10	8	19
Current Tax Assets (Net)	11	447	41
Other Current Assets	12	5 187	3 633
Total Current assets		6 85 544	6 71 698
TOTAL ASSETS		6 88 175	6 74 531
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	9 700	9 700
Other Equity	14	4 12 265	4 13 466
Total Equity		4 21 965	4 23 166
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	15	2 42 319	2 38 134
Provisions	16	1 970	1 797
Other Non Current Liabilities	17	2	-
Deffered Tax Liablity (Net)	18	988	630
Total Non-Current Liabilities		2 45 279	2 40 561
Current Liabilities			
Financial Liabilities			
Trade payables due to	19	701	449
A) Micro enterprises and small enterprises		161	43
B) Other than micro enterprises and small enterprises		540	406
Provisions	20	2 322	1 595
Other Current Liabilities	21	17 908	8 760
Total Current Liabilities		20 931	10 804
Total Liabilities		2 66 210	2 51 365
Total Equity and Liabilities		6 88 175	6 74 531

Significant Accounting Policies
See accompanying Notes to the Financial Statements

1 to 43

As per our Report of even date
For D T S & Associates
Registration No : 142412W
Chartered Accountants

Nirmal Kumar Burad
Partner
Membership No : 71041

Place : Mumbai
Date : 09.04.2019

For and on behalf of the Board
Shrivallabh Goyal
(Director)
DIN- 00021471

Sudhir Jain
(Chief Financial Officer)
Membership No : 084440

Place : Gurugram
Date : 09.04.2019

Shanker Adawal
(Director)
DIN- 01039400

Asha Damani
(Company Secretary)
Membership No : A31051

Statement of Profit & Loss Statement for the year ended 31st March, 2019

	Notes	2018 -19 (Rs Lakhs)	2017 - 18 (Rs Lakhs)
Income			
Revenue from Operations	22	21 675	17 478
Other Income	23	1 156	98
Total Income		22 831	17 576
Expenses			
Changes in Inventories	24	(11 199)	(14 685)
Employee Benefits Expense	25	1 299	1 192
Finance Cost	26	19 677	19 084
Depreciation and Amortization Expense	3	31	36
Other Expenses	27	13 849	12 809
Total Expenses		23 657	18 436
Loss before tax		(826)	(860)
Tax expense			
(1) Current Tax		-	-
(2) Deferred Tax		253	(134)
		253	(134)
Loss for the year		(1 079)	(726)
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		(9)	5
Income tax relating to items that will not be reclassified to profit or loss		3	(2)
Total Comprehensive Income for the year		(1 085)	(723)
Earning per equity share of face value of Rs 10 each			
(1) Basic		(1.11)	(0.00)
(2) Diluted		(1.11)	(0.00)
Significant Accounting Policies			
See accompanying Notes to the Financial Statements 1 to 43			

Registration No :142412W
Chartered Accountants

Nirmal Kumar Burad
Partner
Membership No : 71041

Place : Mumbai
Date : 09.04.2019

(Director)
DIN- 00021471

Sudhir Jain
(Chief Financial Officer)
Membership No : 084440

Place : Gurugram
Date : 09.04.2019

(Director)
DIN- 01039400

Asha Damani
(Company Secretary)
Membership No : A31051

Statement of Changes in Equity for the year ending 31st March, 2019

A. Equity Share Capital

	As at 31st March, 2019		As at 31 March, 2018	
	Numbers	(Rs Lakhs)	Numbers	(Rs Lakhs)
Equity Shares at the Begning of the year	9 70 00 000	9 700	9 70 00 000	9 700
Add: Shares Issued during the year	-	-	-	-
Equity Shares at the end of the year	9 70 00 000	9 700	9 70 00 000	9 700

B. Other Equity

	Reserve and Surplus				
	Instruments classified as equity	Capital Reserve	Retained Earning	Other Comprehensive Income	Total
Balance at the beginning of the year	4 12 592	5 818	(4 902)	(42)	4 13 466
IND AS Transitional difference adjustment due to surrender of lease deed	-	-	(9)	-	(9)
IND AS 115 Adjustment in Opening Balance as on 01.04.2018	-	-	(107)	-	(107)
Total Comprehensive Income for the year	-	-	(1 079)	(6)	(1 085)
Balance at the end of the year	4 12 592	5 818	(6 097)	(48)	4 12 265

As per our Report of even date

For D T S & Associates

Registration No :142412W

Chartered Accountants

Nirmal Kumar Burad

Partner

Membership No : 71041

Place : Mumbai

Date : 09.04.2019

For and on behalf of the Board

Shrivallabh Goyal

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(Director)

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Asha Damani

(Company Secretary)

Membership No : A31051

Cash Flow Statement for the year ended 31st March, 2019

	2018-19 (Rs Lakhs)	2017-18 (Rs Lakhs)		
A: CASH FLOW FROM OPERATING ACTIVITIES:				
Net loss before Tax as per Profit and Loss Statement	(826)	(860)		
Adjusted for:				
Depreciation and Amortisation	31	36		
Provision for Estimated Cost Over Revenue	493	887		
Loss/(Profit) on Sale/ Discarding of Property, Plant & Equipment (Net)	-	13		
Interest Income	(152)	(75)		
Interest on Unsecured Loan	19 525	18 974		
Operating Profit before Working Capital Changes	19 071	18 972		
Adjusted for:				
Non Current Assets & Liabilities				
Other Current Financial Assets	17	10		
Provisions- Non Current	173	446		
Other Non Current Liabilities	2			
Other Non Current Financial Assets	(794)	(529)		
Current Assets & Liabilities				
Trade Payables	252	191		
Other Current Liabilities	9 148	3 456		
Current Provisions	234	25		
Inventories	(11 385)	(14 685)		
Trade Receivables	(12)	8		
Other Current Assets	(1 561)	156		
Cash Generated From Operations	15 145	8 052		
Tax Paid (Net of Refund of TDS)	406	(50)		
	406	(50)		
Net Cash Flow From Operating Activities (A)	14 739	8 103		
B: CASH FLOW FROM INVESTING ACTIVITIES:				
Payment for Property, Plant & Equipment	(27)	(11)		
Proceeds from disposal of Property, Plant & Equipment	-	9		
Investment	-	(9)		
Disposal of Investment in Subsidiaries	-	8		
Profit on Merger of Subsidiaries	-	(2)		
Bank Deposit with more than 12 months maturity	1 199	(304)		
Interest Income	161	74		
Net Cash Flow (Used in) Investing Activities (B)	1 334	(235)		
C: CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Borrowings- Non Current	34 760	62 925		
Repayment of Borrowings-Non Current	(30 575)	(19 050)		
Interest on Unsecured Loan	(19 525)	(51 772)		
Net Cash Flow (Used in) Financing Activities (C)	(15 340)	(7 897)		
Net Increase / (Decrease) in Cash and Cash Equivalents(A+B+C)	733	(29)		
Opening Balance of Cash and Cash Equivalents	112	141		
Closing Balance of Cash and Cash Equivalents	844	112		
Changes in Liability arising from financing activities		(Rs)		
	As as	Cash Flow	Foreign	As as
	1st April,2018		exchange	31st March,
			movement	2019
Borrowing- Non Current (Refer note 15)	2 38 134	4 185	-	2 42 319
Borrowing- Current	-	-	-	-
	2 38 134	4 185	-	2 42 319

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 D T S & Associates
 Registration No :142412W
 Chartered Accountants

Nirmal Kumar Burad
 Partner
 Membership No : 71041

Place : Mumbai
 Date : 09.04.2019

For and on behalf of the Board
Shrivallabh Goyal
 (Director)
 DIN- 00021471

Sudhir Jain
 (Chief Financial Officer)
 Membership No : 084440

Place : Gurugram
 Date : 09.04.2019

Shanker Adawal
 (Director)
 DIN- 01039400

Asha Damani
 (Company Secretary)
 Membership No : A31051

Notes to the Financial Statements

A. CORPORATE INFORMATION

1. Model Economic Township Limited is public limited company having its registered office at Plot no. 77 B, third floor, IFFCO Road, Sector 18, Gurugram-122015, Haryana.

Presently, the Company is carrying out development activities in its industrial colonies, for which licenses are obtained and has also continued to consolidate the purchased land as well as to coordinate and obtain various government approvals etc.

B. SIGNIFICANT 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 future 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.

With effect from 1st April 2018, Ind AS 115 – "Revenue from Contracts with Customers" (Ind AS 115) supersedes Ind AS 18 – "Revenue" and related Appendices. The Company has adopted Ind AS 115 using the modified retrospective approach. The application of Ind AS 115 did not have any material impact on recognition and measurement principles. However, it results in additional presentation and disclosure requirements for the company.

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

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Current and Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on Current/Non-Current classifications.

As asset is treated as Current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is un-conditional right to defer the settlement of the liability for atleast twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) 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.

Notes to the Financial Statements

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.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

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

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

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

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

(c) Investment Property

Properties held for rental or capital appreciation purposes are classified as investment properties. Investment Properties are measured initially at cost, including transaction cost. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Properties are transferred from investment properties to development properties when and only when there is a change in use, evidenced by commencement of development with a view to sell or inventorize if they are sold without any further development. Such transfers are made at the carrying value of the properties at date of transfer.

(d) 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.

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

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

For the assets given under operating lease, the lease rentals received by the Company, as per the terms of the lease, are recognised by the Company as income in Statement of profit and loss.

(e) 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 preparing the asset for the intended use net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible 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.

Other Indirect 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 Intangible Assets Under Development.

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.

The Company's intangible assets include assets with finite useful lives which are amortized on a straight line basis over the period of their expected useful lives.

Notes to the Financial Statements

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

Particular	Depreciation
Computer Software	Over a period of 5 years

The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at each reporting date.

(f) Cash and Cash Equivalent

Cash and cash equivalents comprise of cash on hand and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Finance Cost

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

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

(h) 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 comprises 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.

(i) Impairment of non-financial assets, property, plant and equipment and intangible 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. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU 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 higher of an asset's fair value less costs of 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.

(j) 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.

(k) 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.

Notes to the Financial Statements

Post-Employment Benefits

Defined Contribution Plans

The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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 Gratuity 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 respective Income 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 are charged to Other Comprehensive Income.

(l) Tax Expenses

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

- Current tax

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

- Deferred tax

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

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized

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.

(m) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

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. Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

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

Notes to the Financial Statements

total estimated cost of the project subject to such actual cost being 25% or more of the total estimated cost. The estimated cost of the project is based on company's estimate of the cost expected to be incurred till the final completion of the project and includes cost of land, annuity costs, construction and development expenses, materials, services, interest and finance charges and other expenses related to development of projects. The estimates of the costs are revised periodically by the Company and effect of such changes in estimates is recognized in the period in which such changes are determined. Any projected losses on agreements executed are recognized in full when identified. Recognition of revenue relating to agreements entered into with the buyers, which are subject to fulfilment 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

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

Earning per share

Basic earnings per share is calculated by dividing the net profit/(loss) after tax by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share, if any. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

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

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

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

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

Notes to the Financial Statements

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 transactions 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.

f) Recognition of Deferred Tax Assets and liabilities

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

D. STANDARDS ISSUED BUT NOT EFFECTIVE

The Ministry of Corporate Affairs (MCA), vide notification dated March 30, 2019, has issued and amended following Ind-AS effective from financial year beginning on or after April 1, 2019:

Issued Ind AS 116 – Leases.

Ind-AS 116 will supersede the current standard on leases i.e., Ind AS 17-Leases. As per Ind AS 116, the Lessor will record in its financial statement all the non-cancellable portion of leasing arrangement.

Amendment to existing Ind-AS

- (a) Ind AS 101- First time adoption of Indian Accounting Standards
- (b) Ind-AS 109 – Financial Instruments;
- (c) Ind-AS 12 - Income Taxes;
- (d) Ind-AS 19 - Employee Benefits;
- (e) Ind-AS 23 - Borrowing Costs;
- (f) Ind-AS 28 - Investments in Associates and joint ventures

The application of this standard is not expected to have any significant impact on the company's financial statement.

Notes to the Financial Statements

3. Property, Plant and Equipment and Intangible Assets

(Rs Lakhs)

Description	Gross Block					Depreciation			Net Block	
	As at	Additions	Deductions / Adjustments	As at	Upto	For the Year	Deductions / Adjustments	Upto	As at	As at
	1st April 2018	2018-2019		31st March, 2019	1st April 2018	2018-2019		31st March, 2019	31st March, 2019	31st March, 2018
Tangible Assets (Owned)										
Building	49	-	-	49	31	8	-	39	10	18
Plant and Equipment	1	-	-	1	1	-	-	1	0	0
Office Equipments	216	21	-	237	179	13	-	192	45	37
Furniture & Fixture	34	6	-	40	31	1	-	32	8	3
Vehicles	42	-	-	42	20	5	-	25	17	22
Others (Electrical Installation)	47	-	-	47	28	4	-	32	15	19
Total (A)	389	27	-	416	290	31	-	321	95	99
Intangible Assets										
Computer Software*	16	-	-	16	15	-	-	15	1	1
Total (B)	16	-	-	16	15	-	-	15	1	1
Total (A+B)	405	27	-	432	305	31	-	336	96	100
Previous Year	451	11	57	405	306	36	37	305	100	

* Other than internally generated

	As at 31st March 2019 (Rs Lakhs)	As at 31 March 2018 (Rs Lakhs)
4. Investment Property		
Cost of Investment Property	<u>233</u>	-
	<u>233</u>	-
5. Other Financial Assets-Non Current		
Lease Rent Receivable in Future (refer note no.)	60	77
Bank Deposits with more than 12 months maturity	<u>10</u>	<u>1 209</u>
	<u>70</u>	<u>1 286</u>
6. Other Non Current Assets		
Security Deposits	32	32
Amount Recoverable from Prospective Customers	1 405	292
Prepaid Expenses	16	21
Balance with GST Authorities	459	782
Claim Receivable	<u>320</u>	<u>320</u>
Total	<u>2 232</u>	<u>1 447</u>

As at As at

Notes to the Financial Statements

	As at 31st March 2019 (Rs Lakhs)	As at 31 March 2018 (Rs Lakhs)
7. Inventories		
Work- in- Progress	<u>6 79 043</u>	<u>6 67 890</u>
Total	<u>6 79 043</u>	<u>6 67 890</u>
7.1. During the year, the Company has taken steps to consolidate the purchased land, undertaken land development activities in its licensed industrial colonies, coordinated and obtained various government approvals etc. The developed land will be provided to the end users for various purposes, such as industrial, residential, commercial etc. Presently, the intention of the Company is to either sell the developed land or convey the land on long term lease with upfront lease premium which would qualify to be finance lease as per the requirements of Indian Accounting Standard - 17 “ Leases”. Accordingly the Company has been classifying the entire land as Inventory and also interest on borrowings of Rs. 195 25 18 264 incurred during the year (Previous Year Rs 189 74 20 539) have been considered as part of Inventory.		
8. Trade Receivables (Unsecured, considered good)		
Trade Receivables	<u>15</u>	<u>3</u>
Total	<u>15</u>	<u>3</u>
9. Cash & Cash Equivalents		
(i) Cash in Hand	67	67
(ii) Balances with Banks -in Current Accounts	<u>23</u>	<u>24</u>
	90	91
(iii) ‘Other Bank Balance ‘-Balance in current account for compliance (refer note no. 9.1)	<u>754</u>	<u>21</u>
	<u>844</u>	<u>112</u>
9.1 Represent the amount deposited in separate account, in terms of the Real Estate (Regulation and Development) Act 2016 and Haryana Real Estate (Regulation and Development) Rule 2017.		
10. Other Current Financial Assets		
Interest Accrued on Fixed Deposits	0	9
Lease Rent Receivable in Future (refer note)	<u>8</u>	<u>10</u>
Total	<u>8</u>	<u>19</u>
11. Current tax Assets (Net)		
Tax Deducted at Source	<u>447</u>	<u>41</u>
	<u>447</u>	<u>41</u>
12. Other Current Assets		
Balance with GST Authorities	26	19
Prepaid Expenses	45	22
Others Advances	<u>5 116</u>	<u>3 592</u>
Total	<u>5 187</u>	<u>3 633</u>

Notes to the Financial Statements

	As at 31st March, 2019 (Rs in Lakhs)	As at 31st March, 2018 (Rs in Lakhs)
13. Share Capital		
Authorised Share Capital		
50 00 00 000 Equity Shares of Rs 10/- each	<u>50 000</u>	<u>50 000</u>
(Previous year 50 00 00 000 equity shares of Rs 10/- each)		
Issued, Subscribed & Paid up		
9 70 00 000 Equity Shares of Rs 10/- each fully paid up	<u>9 700</u>	<u>9 700</u>
(Previous year 9 70 00 000 Equity Shares of Rs 10/- each fully paid up)		
Total	<u><u>9 700</u></u>	<u><u>9 700</u></u>

13.1. Reconciliation of Numbers of Shares Outstanding at the beginning and at the end of the year

	As at 31st March, 2019 Numbers	As at 31st March, 2019 (Rs in Lakhs)	As at 31 March 2018 Numbers	As at 31 March 2018 (Rs in Lakhs)
Shares outstanding at the beginning of the Year	970	9 700	970	9 700
Add: Shares Issued on right basis during the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Shares outstanding at the end of the year	<u><u>970</u></u>	<u><u>9 700</u></u>	<u><u>970</u></u>	<u><u>9 700</u></u>

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

	As at 31st March, 2019 Number of Shares	As at 31st March, 2019 % holding in the class	As at 31 March 2018 Number of Shares	As at 31 March 2018 % holding in the class
Holding Company- Reliance Ventures Limited & its Nominees (Equity Shares of Rs 10 each fully paid)	970	100%	970	100%
Total	<u><u>970</u></u>	<u><u>100%</u></u>	<u><u>970</u></u>	<u><u>100%</u></u>

b. Terms/right attached to equity shares

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

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

	As at 31st March, 2019 (Rs in Lakhs)	As at 31 March 2018 (Rs in Lakhs)
14. Other Equity		
Instrument classified as equity		
Zero Coupon Optionally Fully Convertible Unsecured Debentures		
As per last Balance Sheet	<u>4 12 592</u>	<u>4 12 592</u>
Total	<u><u>4 12 592</u></u>	<u><u>4 12 592</u></u>

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

Notes to the Financial Statements

	As at 31st March, 2019 (Rs in Lakhs)	As at 31 March, 2018 (Rs in Lakhs)
Reserves & Surplus		
Capital Reserve (Pursuant to Scheme of Amalgamations)		
As per last Balance Sheet	5 818	5 818
Add: Accretion during the year	-	-
Closing Balance	<u>5 818</u>	<u>5 818</u>
Retained Earnings		
As per last Balance Sheet	(4 902)	(4 174)
Add: Impact of IND AS 115	(107)	-
Add: IND AS Transitional difference adjustment due to surrender of lease deed	(9)	-
Add: Amount pursuant to scheme of arrangement	-	(2)
Add: Net Profit/(Loss) for the year	<u>(1 079)</u>	<u>(726)</u>
Closing Balance	<u>(6 097)</u>	<u>(4 902)</u>
Other Comprehensive Income (OCI)		
As per last Balance Sheet	(42)	(45)
Add: Movement in OCI (net) during the year	(6)	3
Closing Balance	<u>(48)</u>	<u>(42)</u>
Total	<u>4 12 265</u>	<u>4 13 466</u>
15. Borrowings		
Unsecured Loans		
Loans from Related Parties		
From Fellow Subsidiary	<u>2 42 319</u>	<u>2 38 134</u>
Total	<u>2 42 319</u>	<u>2 38 134</u>
Loans outstanding as on 31st March,2019 are repayable on 31st March, 2021 and carrying interest @ 8.75% p.a		
16. Provisions- Non Current		
Annuity (refer note no. 37)	<u>1 970</u>	<u>1 797</u>
Total	<u>1 970</u>	<u>1 797</u>
17. Other Non-Current Liabilities		
Security Deposits received from Customers	<u>2</u>	-
	<u>2</u>	-
18. Deferred Tax Liability (Net)		
At the start of the year	630	762
Add: Effect of IND AS 115	0	-
Charge/(credit) to profit or loss (refer note no.)	<u>358</u>	<u>(132)</u>
At the end of the year	<u>988</u>	<u>630</u>

Notes to the Financial Statements

	2018 -19 (Rs Lakhs)	2017 - 18 (Rs Lakhs)
19. Trade Payables		
Trade Payables (refer note no. 19.1)	<u>701</u>	<u>449</u>
	<u><u>701</u></u>	<u><u>449</u></u>

19.1 Trade Payable

There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2019 for which disclosure requirements, under Micro, Small and Medium Enterprises Development Act 2006, are applicable.

20. Provisions

(a) Provision for Employee Benefits

Provision For Leave Encashment	67	64
Provision for Superannuation	0	11
Provision for Gratuity	-	1

(b) Others

Provision for Estimated Cost Over Revenue*	1 506	1 013
Annuity (refer note no. 37)	<u>749</u>	<u>506</u>

Total	<u><u>2 322</u></u>	<u><u>1 595</u></u>
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* The Company has recognized foreseeable 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.

21. Other Current Liabilities

Advance received from Customers	14 473	6 164
Annuity (refer note no.)	2 367	2 162
Other Liabilities*	<u>1 068</u>	<u>434</u>
Total	<u><u>17 908</u></u>	<u><u>8 761</u></u>

* Includes statutory dues and employees benefits

	2018 -19 (Rs Lakhs)	2017 - 18 (Rs Lakhs)
22. Revenue From Operations *		
Sale of Land		
- Undeveloped	13 037	18 383
- Developed	8 530	(1 709)
- Compensation for Compulsorily Acquisition	<u>-</u>	<u>686</u>
	21 567	17 359
Lease Rent	7	-
Other Operating Income		
Common Service Charges	119	140
Less:Service Tax/GST Recovered	<u>18</u>	<u>21</u>
Total	<u><u>21 675</u></u>	<u><u>17 478</u></u>

(*) The Company has applied Ind AS 115 using the cumulative effect method. Under this method the comparative information is not restated.

Notes to the Financial Statements

	2018 -19 (Rs Lakhs)	2017 - 18 (Rs Lakhs)
23. Other Income		
Interest Income		
- On Fixed Deposit with scheduled bank	152	75
- Others	599	11
	<u>751</u>	<u>86</u>
Finance Income against Lease Rental	6	5
Profit on Sale of Property, Plant & Equipment	-	0
Dividend Received from Subsidiary Company	-	7
Miscellaneous Income	399	0
Total	<u>1 156</u>	<u>98</u>
24. Changes in Inventories		
Projects under Development (Work-in-Progress at commencement)	6 67 890	6 53 205
Add: Transitional impact of IND AS 115	343	
Less: Adjustment in Opening balance	(156)	
Less: Transfer to Investment Property	(233)	-
	<u>6 67 844</u>	<u>6 53 205</u>
Projects under Development (Work-in-Progress at close)	6 79 043	6 67 890
Total Change in Inventories	<u>(11 199)</u>	<u>(14 685)</u>
25. Employee Benefits Expense		
Salaries and wages	1 171	1 060
Contribution to Provident and other Fund	68	65
Staff welfare expenses	60	67
Total	<u>1 299</u>	<u>1 192</u>
26. Finance Cost		
Interest on Unsecured Loan	19 525	18 974
Guarantee Commission	69	51
Finance Charges-Discounting Difference	83	59
Total	<u>19 677</u>	<u>19 084</u>

Notes to the Financial Statements

	2018 -19 (Rs Lakhs)	2017 - 18 (Rs Lakhs)
27. Other Expenses		
Land	5 064	4 719
Land Development	3 939	2 918
Annuity Expenses (refer note no.)	2 257	2 377
Salaries & Wages - Contractors	501	372
Rent	184	169
Rates & Taxes	1	0
Insurance	33	32
Telephone Expenses	12	9
Travelling & Local Conveyance	167	179
Power & Fuel	57	57
Repair & Maintenance		
- Plant and Machinery	8	10
- Buildings	34	29
- Others	46	9
Professional & Consultancy Fees	442	294
Security Expenses	408	256
Social Programme Expenses	20	143
Payment to Auditors (Refer note 27.1)	23	20
Director Sitting Fees	7	5
Loss on Sale of Property, Plant & Equipment	-	13
Investment Written off (Refer note 27.2)	-	16
General Expenses	496	295
Provision/(Reversal) for Estimated Cost Over Revenue	150	887
Total	13 849	12 809
27.1. Payment to Auditors		
Statutory Audit fees *	22	17
Certification Fees	0	3
Out of pocket expenses	-	-
Total	23	20

* (Current year figure includes Good and Service Tax)

27.2. During the previous year, the Company made investments in equity shares of Resolute Land Project Consortium Limited, Tangerine Agro Private Limited and Santol Commercials Private Limited and as a result, these companies became wholly owned subsidiaries of the Company on 19th July, 2017. Subsequent to it, these Company filed application under section 248 (2) of the Companies Act 2013 for removal of their names from register of companies as a result of which they have been de-activated in records of registrar of companies. Considering the above and also that these companies have no asset, the Company has written off the investment in these companies aggregating to Rs. 16 00 000.

Notes to the Financial Statements

	2018 -19 (Rs Lakhs)	2017 - 18 (Rs Lakhs)
28. Earning per share (EPS)		
Net Profit / (Loss) after tax as per Statement of Profit and Loss (Rs.)	(1 079)	(726)
Weighted Average number of equity shares used as denominator for calculating EPS	970	970
Basic Earning per share (Rs.)	(1.11)	(0.75)
Diluted Earning per share (Rs.) #	(1.11)	(0.75)
Face Value per equity share (Rs.)	10	10

The effects of ZOFC D 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.

As per our Report of even date
For D T S & Associates
 Registration No :142412W
 Chartered Accountants

Nirmal Kumar Burad
 Partner
 Membership No : 71041

Place : Mumbai
 Date : 09.04.2019

For and on behalf of the Board
Shrivallabh Goyal
 (Director)
 DIN- 00021471

Sudhir Jain
 (Chief Financial Officer)
 Membership No : 084440

Place : Gurugram
 Date : 09.04.2019

Shanker Adawal
 (Director)
 DIN- 01039400

Asha Damani
 (Company Secretary)
 Membership No : A31051