

Notice

Notice is hereby given that the 16th Annual General Meeting of the Members of Model Economic Township Limited will be held on 31st day, May 2022, at 11.00 am at 3rd Floor, 77-B, IFFCO Road, Sector-18, Gurugram - 122015 (Haryana) to transact the following Businesses:

ORDINARY BUSINESS:

1. To consider and adopt the audited Financial Statements of the Company for the Financial year ended on March 31, 2022 and the Report of the Board of Directors and the report of Auditors thereon and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary resolution

“**RESOLVED THAT** the audited financial statements of the Company for the financial year ended March, 31, 2022 and reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. To appoint Shri Shrivallabh Goyal, who retire by rotation and being eligible, offers himself for re-appointment as a Director, and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as Ordinary resolution

“**RESOLVED THAT** pursuant to the provisions of section 152 of the Companies, Act, 2013, Shri Shrivallabh Goyal (DIN No. 00021471), who retires by rotation at this meeting be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

3. To appoint M/S Chaturvedi & Shah, Chartered Accountants as Statutory Auditors of the Company for Five years and fixing their remuneration, and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as Ordinary resolution

“**RESOLVED THAT** pursuant to the provisions of Section 139, 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and any other applicable provisions if any, including any statutory modification(s) or re-enactments thereof for the time being in force, M/S Chaturvedi & Shah LLP, Chartered Accountants (registration number 101720W/W100355), be and is hereby appointed as Auditors of the Company, for a term of 5 (five) Consecutive years from the conclusion of this Annual General Meeting till the conclusion of next Sixth Annual General Meeting of the Company, at such remuneration as shall be fixed by the Board of Directors of the Company.

SPECIAL BUSINESS:

4. To ratify the remuneration of Cost Auditors of the Company for the financial year ending March 31, 2023, and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary resolution

“**RESOLVED THAT** pursuant to provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration of

57,000/- (Rupees Fifty Seven Thousand only) plus Good and services tax as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year ending 31st March, 2023 as approved by the Board of Directors of the Company in its meeting held on 8th April, 2022, payable to M/s Shome & Banerjee, Cost Accountants (Registration No.000001), for conducting cost audit of the Company for the Financial Year ended on 31st March, 2023, be and is hereby ratified and confirmed.”

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Place: Gurugram
Dated: 6th May, 2022

**By Order of the Board
For Model Economic Township Limited**


**(Shanker Adawal)
Director**

Registered Office:
3rd Floor, 77B, IFFCO Road,
Sector 18, Gurugram- 122015 (Haryana)

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of him and the proxy need not be a member of the company. The Proxy form in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the company not less than forty eight hours before the commencement of the Meeting.

A Person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the meeting.

2. Corporate Members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company, a certified copy of the relevant Board Resolution together with the

specimen signature of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.

3. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.
4. In terms of Section 152 of the Act, Shri Shrivallabh Goyal, retire by rotation at the meeting. The Nomination and Remuneration Committee of the Board of Directors and the Board of Directors recommend his re-appointment.
5. Shri Shrivallabh Goyal is interested in the Ordinary Resolution set out at item No 2 of the Notice with regard to his appointment. Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives are in any way concerned or interested financially or otherwise, in the Ordinary Business set out under item no 1& 3 of the Notice.
6. As per the Section 152(6) of the Companies Act, 2013 Shri Shrivallabh Goyal, Director retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re- appointment. Shri Shrivallabh Goyal has been on the Board of the Company since 2012. He was appointed as Whole-Time Director in 2015. Shri S V Goyal, 63 years, has been working with the Reliance group for the last 21 years and is presently heading METL project for developing Industrial Infrastructure in Haryana. He is Chartered Accountant, Company Secretary, M.Com and LL.B (Law Graduate) by qualification. An astute Finance and Commercial professional, with more than 39 years of rich and varied experience in all major areas with India's largest Business House. Prior to handling the present project of Infrastructure, he was holding the position of Sector Commercial Head – Polymer Sector of RIL (with a turnover of more than US \$ 6 billion.) Before joining Reliance he has worked as Sr. General Manager and Company Secretary with Fecor group of companies and JK Cement Ltd. The Company has received consent of Shrivallabh Goyal to act as Director of the Company and also a declaration that he is not disqualified to be appointed as Director under Section 164(2) of the Companies Act, 2013. The Nomination & Remuneration Committee and Board of Directors of the Company recommends his re-appoint.
7. Members/Proxies/ Authorized Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance Slip(s) and copy(ies) of their Annual Report.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
9. Relevant documents referred to in the Notice are open for inspection by the members at the registered office of the Company on all working days (that is, except Saturdays, Sundays and Public Holidays) during business hours up to the date of the Meeting. The aforesaid documents will also available for inspection by members at the Meeting.

10. Queries on the Annual report of the Company, if any, may please be sent to the Company seven days prior to the date of the meeting so that the answers may be made available at the Meeting.
11. The Company's Registrars & Transfer Agents (RTA) for its share registry (both physical as well as electronic) is KFin Technologies Private Limited having its office at Karvy Selenium Tower B, Plot 31-21, Gachibowli Financial District, Nanakramguda, Hyderabad 500 032
12. Members holding shares in electronic mode are requested to intimate any change in their address or bank mandates to their Depository Participants (DP) with whom they are maintaining their demat accounts. Members holding shares in physical mode are requested to advise any change in their address or bank mandates to the Company / RTA.
13. Attention of the member is drawn to the provision of Section 124 & 125 of the Act, which requires the Company to transfer in the name of IEPF Authority, dividend and shares in respect of which dividend has not been paid or claimed for 7 (Seven) consecutive year. The action has not been initiated for the Transfer of Dividend and shares in respect of which dividend has not been paid or claimed to Investor Education Investor Protection Fund as no dividend has been declared in any previous year(s).
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Member holding shares in electronic form, are therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
15. Members who have not registered / updated their e-mail addresses with RTA, if share are hold in physical mode or with their DPs, if shares are hold in electronic mode, are requested to do so for receiving all future communications from the Company including Annual Reports, Notices, Circulars, etc., electronically.
16. The Results shall be declared on or after the Annual General Meeting of the Company and shall be deemed to be passed on the date of Annual General Meeting.

Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”)

Item No. 4- Special Business

Ratification of remuneration to the Cost Auditors, Pursuant to provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration of 57,000 plus Goods and service tax as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year ending 31st March, 2023 as approved by the Board of Directors of the Company in its meeting held on 8th April, 2022, to M/s Shome & Banerjee, Cost Accountants (Registration No.000001), for conducting cost audit of the Company for the Financial year ended on 31st March, 2023 is required to be ratified and confirmed by the shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends the Ordinary Resolutions set forth in Item No. 4 (special business) for approval of the Members.

Model Economic Township Limited
(Formerly known as Reliance Haryana SEZ Limited)

ATTENDANCE SLIP

CIN: U70109HR2006PLC036416

Registered Office: 3rd Floor, 77-B, IFFCO Road, Sector-18, Gurugram: 122015

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id*

Folio No.

Client Id*

No. of Shares

NAME:

ADDRESS OF THE SHAREHOLDER:

I hereby record my presence at the **ANNUAL GENERAL MEETING** of the Company held on Tuesday, May 31, 2022 at 11 a.m. at 3rd Floor, 77B, IFFCO Road, Sector-18, Gurugram-122015, Haryana

Signature of Shareholder / proxy

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Model Economic Township Limited
(Formerly known as Reliance Haryana SEZ Limited)

CIN: U70109HR2006PLC036416

Registered Office: 3rd Floor, 77-B, IFFCO Road, Sector-18, Gurugram: 122015

Name of the member(s):		e-mail Id:	
Registered address:		Folio No/ *Client Id:	
		*DP Id:	

I, being the member(s) ofshares of Model Economic Township Limited, hereby appoint:

.....R/o ofhaving e-mail id and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me and on my behalf at the **Annual General Meeting** of the Company, to be held on Tuesday May, 31, 2022 at 11 a.m. at 3rd Floor, 77B, IFFCO Road, Sector-18, Gurugram-122015, Haryana and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
1. To consider and adopt the audited Balance Sheet as on March 31, 2022, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.		
2. To appoint Director in place of those retiring by rotation.		
3. To appoint Statutory Auditor for 5 (Five) Years.		
4. To ratify the remuneration of Cost Auditors of the Company for the financial year ending March 31, 2023		

Signed this..... day of.....2022

Signature of shareholder

Affix
Revenue
Stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Notes:

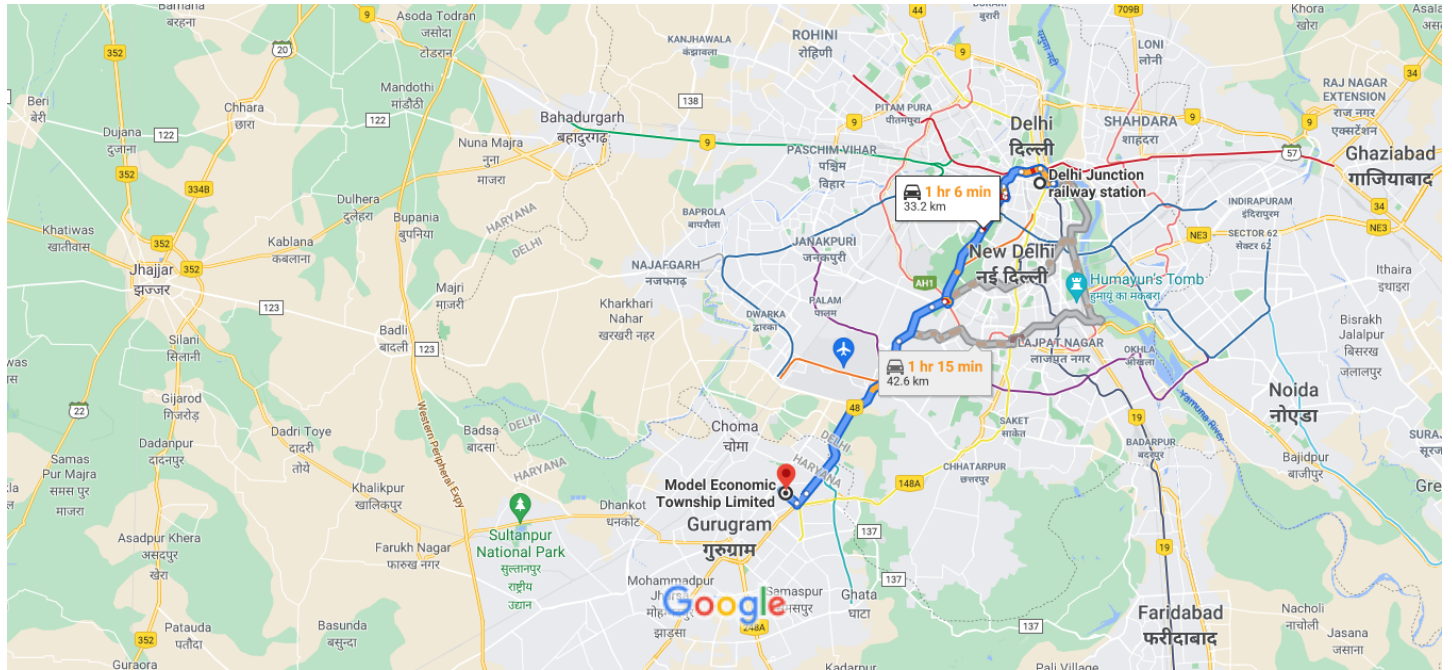
- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

- (2) **A Proxy need not be a member of the Company.**
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- ****(4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



Delhi Junction railway station to Model Economic Township Limited

Drive 33.2 km, 1 hr 6 min




Map data ©2021 5 km


Delhi Junction railway station


Old Delhi, Delhi, 110006


Take Lothian Rd, GT Karnal Rd, Rani Jhansi Flyover and Vandemataram Marg to NH 48 in Dhaula Kuan Enclave I, New Delhi


- 34 min (14.6 km)
1. Head east
190 m
 2. Use any lane to turn right toward Shyama Prasad Mukherjee Marg
28 m
 3. Use any lane to turn left onto Shyama Prasad Mukherjee Marg
650 m
 4. Turn left onto Lothian Rd/Netaji Subhash Marg
350 m
 5. Continue straight onto Lothian Rd
[Pass by Swauto Motors Pvt. Ltd \(on the left\)](#)
1.0 km
 6. Use any lane to turn left onto GT Karnal Rd/Lala Hardev Sahai Marg
[Continue to follow GT Karnal Rd](#)
[Pass by Metro Pillar Number 40 \(on the right in 550 m\)](#)
1.2 km
 7. Use the right 2 lanes to turn slightly right onto Rani Jhansi Flyover
1.7 km


-  8. Continue straight onto Rani Jhansi Rd


 450 m
-  9. Continue onto Rani Jhansi Rd


 290 m
-  10. Turn right onto Guru Gobind Singh Marg/New Rohtak Rd

 260 m
-  11. Turn left at Corporation Bank Cir onto Faiz Rd

 1.0 km
-  12. At the roundabout, take the 5th exit onto Vandemataram Marg


 Pass by Rajkiya Pratibha Vikas Vidyalaya, Link Rd (on the left)


 1.6 km
-  13. At the roundabout, take the 3rd exit and stay on Vandemataram Marg


 Pass by Metro Pillar Number 51 (on the right in 4.4 km)


 5.9 km


Follow NH 48 to Sector 25, Gurugram. Exit from NH 48


- 19 min (16.9 km)
-  14. Merge with NH 48

 Pass by the petrol pump (on the left)

 900 m
-  15. Continue straight to stay on NH 48


 3.2 km
-  16. Keep right to stay on NH 48


 11.9 km
-  17. Take the exit


 Pass by Pillar Number LP1I (on the right in 850 m)


 900 m


Take Sector 17/18 Dividing Rd/Shahed Ripon Katyal Marg to your destination in Sector 18, Sarhol


- 5 min (1.8 km)
-  18. Sharp right toward Sector 17/18 Dividing Rd/Shahed Ripon Katyal Marg

 110 m
-  19. Turn left before Pillar Number RP2I

 1.2 km
-  20. Make a U-turn

 270 m
-  21. Turn left

 82 m
-  22. Turn left

 Destination will be on the left

 36 m

Model Economic Township Limited

8/23/2021

Delhi Junction railway station to Model Economic Township Limited - Google Maps

77-B, 3rd Floor, IFFCO Road, Gurugram, Haryana 122015

These directions are for planning purposes only. You may find that construction projects, traffic, weather, or other events may cause conditions to differ from the map results, and you should plan your route accordingly. You must obey all signs or notices regarding your route.

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors are pleased to present the sixteenth Annual Report together with the Audited Financial Statements of Model Economic Township Limited for the year ended March 31, 2022.

Financial Performance

The Company's standalone financial results for the year ended March, 31, 2022 are summarized below:

Particulars	Rs. in Lakh	
	31 st March, 2022	31 st March, 2021
Revenue from operations	33761	25 836
Interest and other income	916	477
Profit / (Loss) Before depreciation, exceptional item and taxes	5200	5 791
Depreciation	207	69
Profit/(loss) Before Tax	4993	5 722
Income Tax	(51)	(701)
Profit after tax	4942	5 021
Less: Appropriation:	-	-
Amount Transferred to Reserve	-	-
Other comprehensive Income	3	(7)
Balance Carried to Balance Sheet	4945	5 014

Financial Results

During the year, the total income of Company has been Rs. 34,677 lakh as compared to Rs 26,313 lakh in the previous year. The increase is on account of higher revenue from sale of developed plots in licensed colonies.

Capital/ Finance

The paid up equity capital as on 31st March, 2022 is Rs. 97 00 00 000 consisting of 9 70 00 000 equity shares of Rs. 10 each. During the year, there is no Change in the Capital.

Business Review/State of the Company's affairs

The Company continues to undertake the development of Model Economic Township in the Industrial Colony framework.

During the year, your Company obtained letter of intent for additional area of 29.36 acres, which will make total licensed area of 1,742 acres. The Company has also obtained standard design approval for development of Shopping cum Office block for 3.35 acres to provide support services to units operating in MET. Directorate of Town and Country Planning, Haryana has also approved migration of first two licenses granted to your Company in 2011 and 2012 on aggregate area of 201.106 areas under the new policy thereby allowing more area for residential and commercial segment, which are high margin products.

During the year, your Company launched affordable residential plots and your directors are happy to share that all the plots were sold directly without engaging the brokers and advertisement.

The Company has initiated full-scale development on State Highway. The Company has planned its first phase of development along the State Highway 15A on the Farukhnagar to Jhajjar Road. Your Company has undertaken complete internal development works which include construction of road, street light, water and power distribution network, construction of storm water drainage system, development of sewage/effluent collection, treatment and disposal system, and other utility trenches.

During the year, your Company commissioned its first internal electrical distribution work while the external electrical infrastructure works are at advanced stage of completion for supply of power to units operating in its colonies. Your Company has also commissioned the water works and supply of surface potable water has commenced to units operating in its colonies.

Further, during the year, your company continued to make efforts in land consolidation to make land parcels contiguous for development, coordinate with Government of Haryana for various approvals and with the potential buyers/co-developers/investors to partner with your company for development of the Model Economic Township project.

Warehousing business

Your Company is developing warehousing facilities on land adjacent to its licensed colony in joint venture with IndoSpace, a major warehousing player in India. The project consists of five warehouse buildings.

Credit Rating

The Company's financial discipline and prudence is reflected in the strong credit rating ascribed by rating agency CARE Rating Limited by awarding CARE AAA; Stable rating for its non-fund based long term bank guarantee, which was renewed during the year with same rating.

Dividend

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

Fixed Deposits

Your Company has neither invited nor accepted any deposits from public falling within the purview of section 73 of the Companies Act 2013 read with the Companies (Acceptance of Deposits) Rules 2014 during the year. There is no unclaimed or unpaid deposit lying with the Company.

Loans, Guarantees or Investments

During the year your Company invested Rs. 494 Lakhs in Non-Convertible Bonds and Rs. 40 Lakhs in Equity Shares of IndoSpace MET Logistics Park Farukhnagar Private Limited (formerly known Dadri Toe Warehousing P Ltd), an associate Company.

Secretarial Standard

The Directors state that notified Secretarial Standards i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly complied with by the Company.

Directors' Responsibility Statement

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

- (a) In the preparation of the annual accounts for the year ended March, 31, 2022, the applicable accounting standards read with requirements set out under schedule III to the Act have been followed along with proper explanation relating to material departures from the same;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March, 31, 2022 and of the profit of the company for the year ended on that date;
- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis;
- (e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Holding Company and Subsidiaries, Joint Ventures and Associate Companies

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

Directors and Key Managerial Personnel

In accordance with the provision of the Companies Act, 2013, Shri Shrivallabh Goyal (DIN: 00021471). Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The Nomination and Remuneration Committee and the Board of Directors of the Company have recommended his re-appointment subject to approval by members at the ensuing Annual General Meeting of your Company

Declaration by Independent Directors

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

Board Evaluation

The Company has in place a Policy for performance evaluation of Independent Directors, Board, its Committees, Chairman of the Board of Directors and other individual Directors which

includes criteria for performance evaluation of the non-executive directors and executive directors.

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

The Extract of both the Policies for Selection of Directors and determining Directors' independence; and Remuneration Policy for Directors, Key Managerial Personnel and other employee's is available on the website of the company under the link <https://www.modeleconomictownship.com/policies.html>

Details of Board meetings

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

Date of meeting	No. of Meeting	No. of Directors attended the meeting	Name of Directors attended the meeting
9 th April, 2021	79 th	5	Shri Shrivallabh Goyal Shri Kishore Kumar Sinha Shri Naresh Kumar Jain Shri Ramesh Kumar Damani Shri Shanker Adawal
11 th May 2021	80 th	4	Shri Shrivallabh Goyal Shri Naresh Kumar Jain Shri Ramesh Kumar Damani Shri Shanker Adawal
9 th July 2021	81 st	4	Shri Shrivallabh Goyal Shri Naresh Kumar Jain Shri Ramesh Kumar Damani Shri Shanker Adawal
16 th September 2021	82 nd	3	Shri Shrivallabh Goyal Shri Naresh Kumar Jain Shri Ramesh Kumar Damani
8 th October 2021	83 rd	4	Shri Shrivallabh Goyal Shri Naresh Kumar Jain Shri Ramesh Kumar Damani Shri Shanker Adawal
7 th January 2022	84 th	5	Shri Shrivallabh Goyal Shri Kishore Kumar Sinha Shri Naresh Kumar Jain Shri Ramesh Kumar Damani Shri Shanker Adawal

Corporate Governance

Board Committees

As required by sections 177 and 178 of the Companies Act 2013, Board of Directors of your Company constituted two Board Committees namely Audit Committee and Nominations and remuneration Committee in its 46th meeting held on 26th August, 2015 and re-constituted in its 78th meeting held on 8th January, 2021, which has following members:

Audit Committee

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

During the year all the recommendations made by the Audit committee were accepted by the Board.

The term of reference of Audit Committee is per **Annexure I**.

Nominations and remuneration Committee

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

During the year all the recommendations made by the Nomination and Remuneration committee were accepted by the Board.

The term of reference of Nomination and Remuneration Committee is as per **Annexure II**.

Details of Committee meetings

Audit Committee

During the year, five meetings of Audit Committee were held, details of which are given below:

Date of Meeting	No. of Meeting	No. of Directors attended the meeting	Name of Directors attended the meeting
9th April 2021	28th	3	Shri Shrivallabh Goyal Shri Kishore Kumar Sinha Shri Naresh Kumar Jain
9th July 2021	29th	2	Shri Shrivallabh Goyal Shri Naresh Kumar Jain
16th September 2021	30th	2	Shri Shrivallabh Goyal Shri Naresh Kumar Jain
8th October 2021	31st	2	Shri Shrivallabh Goyal Shri Naresh Kumar Jain

7th January 2022	32nd	3	Shri Shrivallabh Goyal Shri Kishore Kumar Sinha Shri Naresh Kumar Jain
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Nomination and Remuneration Committee

During the year, two meetings of Nomination and Remuneration Committee were held, details of which are given below:

Date of meeting	No. of Meeting	No. of Directors attended the meeting	Name of Directors attended the meeting
9th April 2021	14th	3	Shri Kishore Kumar Sinha Shri Naresh Kumar Jain Shri Shanker Adawal
8th October 2021	15th	2	Shri Naresh Kumar Jain Shri Shanker Adawal

General Meetings held

Sr. No.	Annual/Extraordinary Meeting	General	Date of Meeting
1.	Extraordinary General Meeting		12 th April, 2021
2.	15 th Annual General Meeting		27 th August 2021

Risk Management

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

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

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

COVID-19

Presently the country is facing third wave of Covid-19 pandemic spread situations. The staff of your Company had worked from home for significant time during last two years. There has been substantial adverse impact on the economy due to Covid-19 pandemic but your Company has been able to mitigate the challenges and reported good performance during this year.

Statutory Auditors, their Report and Notes to Financial Statements

M/s. DTS & Associates, Chartered Accountants were appointed as Statutory Auditors of the Company for a term of 5 (five) consecutive years, at the Annual General Meeting held on 11th September, 2017.

After the expiry of the term, your Board of Directors in its 85th meeting held on 8th April 2022 recommended for approval of the members the appointment of M/s Chaturvedi and Shah as statutory auditors of the company for a period of 5 years to hold office from the conclusion of the forthcoming annual general meeting till conclusion of next sixth annual general meeting.

The Notes on financial statement referred to in the Auditor's Report are self –explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer.

Cost Audit

The Board of your Company has appointed M/s Shome & Banerjee, Cost Accountants, (Registration No.000001) as the Cost Auditors for conducting the audit of cost records for products and services of the Company for the Financial Year 2022-23.

Secretarial audit

The Secretarial Audit Report for the financial year ended March 31, 2022 is annexed herewith marked as “**Annexure III**” to this report. The Secretarial Audit report does not contain any qualification, reservation, adverse remark or disclaimer.

The Board of your Company has appointed M/s P.I. & Associates, Practicing Company Secretaries, as secretarial auditors of the Company, as required in Section 204 of the Companies Act, 2013, to conduct the secretarial audit of the company for the year 2022-23.

Related party transactions

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

Your Directors draw attention of the members to Note 32. & 32.1 to the financial statement which sets out related party disclosures pursuant to IndAS.

Internal Financial Controls and its adequacy

You company has in place adequate internal financial controls with reference to financial statements. During the year such controls were tested and no reportable material weakness in the designs or operations were observed.

During the year, your Board has appointed Reliance Internal Audit team, consisting of Chartered Accountants, Cost Accountants and Engineers as Internal Auditors to conduct internal audit of

the Company. The scope of the internal audit covers all the business activities, including transaction Audit and Tax compliances. The internal Auditors have also reviewed the internal financial control systems established by the Company and have reported that these systems are adequate and working effectively.

Corporate Social Responsibility

Though the provisions of Section 135 of the Companies Act 2013 were not applicable to your Company during the year, as a part of its social responsibility, the Company has been undertaking various initiatives in the villages. Its community engagement programs include health services through mobile health vans, camps for eye treatment, dental treatment program, skill development of village youth and woman empowerment programs.

In the past, your Company had also developed village infrastructure such as of village roads, cremation ground up-gradation, construction of community centers, provision of water and contribution for development of Sports facilities in Villages, construction renovation & repair of School infrastructure, including Toilets etc.

In the field of education, your Company has undertaken school level intervention to upgrade skills, improve quality education through digital platform (JIO GYAN smart classes), distribution of Notebooks, Inter school Quiz, Debate & Sports Competition, arranging coaching for competitive examinations. Your Company has adopted 3 Government run ITIs to improve their programs and other processes. Your Company has also arranged job related vocational training program for the children of land sellers. It has also tied up with skill council for telecom to impart training and facilitate employment to village youth in telecom companies, which has been a very successful program.

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

(a) Conservation of energy

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

(b) Technology absorption

(i)	the efforts made towards technology absorption	Your company is evaluating various technologies for building construction, treatment of water and waste water, power management, customer relationships etc for
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	

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

(c) Foreign exchange earnings and Outgo

During the year, the foreign exchange expenditure is nil.

Web-link of Annual Return

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, link of annual reports of the company relating to previous years is given below.

<https://www.modeleconomictownship.com/financial-reporting.html>

Particulars of Employees

Being an unlisted Company, the details of employee remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

Human Resources

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

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

Reporting of Fraud

The Auditors of your Company have not reported any fraud as specified under section 143 (12) of the Companies Act 2013. Further no case of fraud has been reported to the management of your Company from any other source.

General

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

- (i) Details relating to deposits covered under Chapter V of the Act.
- (ii) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- (iii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employees Stock Options Plan referred to in this Report.
- (iv) The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- (v) Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- (vi) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- (vii) No fraud has been reported by the Auditors to the Audit Committee or the Board.

Acknowledgement

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

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

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

For and on behalf of the Board

For Model Economic Township Limited

Sd/- Shrivallabh Goyal (Whole-time Director)	Sd/- Shanker Adawal (Director)
-------------------------------------------------------------------------	-----------------------------------------------------------

Date : 8th April, 2022
Place : Gurugram (Haryana)

The term of reference of the Audit Committee includes:

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

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

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

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

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

Draft FORM NO. MR - 3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,

The Members,

Model Economic Township Limited

(U70109HR2006PLC036416)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Model Economic Township Limited (hereinafter called "the Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and as applicable to the Company, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

Page 1 of 5

CORPORATE OFFICE

D-28 South Extn. Part-I, New Delhi – 110049, India | T : +91 11 40622200 | F +91 11 40622201 | E : info@piassociates.co.in

LOCATIONS

Hyderabad | Trivandrum | Vadodara

- I. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (not applicable)
- III. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 (not applicable);
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (not applicable);
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (not applicable);
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (not applicable);
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (not applicable)
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014; (not applicable)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable)
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act; (not applicable)
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (not applicable)
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (not applicable)
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (not applicable)

With respect to the below mentioned laws which are specifically applicable on the Company we have relied on the compliance certificates shared by the management of the Company:

- Applicable Environment Laws
- Applicable Labor Laws
- Applicable Land Acquisition and Estates Development Laws and
- Applicable Infrastructure Laws.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s), if applicable; (not applicable)

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

We further report that:

- I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- II. Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, if any and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

III. Majority decisions were carried through and there were no instances where any director expressing any dissenting views.

We further report that based upon the representation given by the management of the Company, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the following events took place, which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

- i. The Company allotted 215,00,00,000 Zero Coupon Unsecured Optionally Fully Convertible Debentures of Face Value of Rs. 10 each amounting to Rs. 2,150 crores to Reliance 41R Reality Development Limited.

**For PI & Associates,
Company Secretaries**

Sd/-
Nitesh Latwal
Partner
ACS No.: A32109
C P No.: 16276
UDIN: A032109D000078298
Date: April 6, 2022
Place: New Delhi

The above report is subject to receipt of pending documents and the audited balance sheet of the relevant financial year. Further, the report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

"Annexure A"

To,
The Members,
Model Economic Township Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Compliance Certificate/Management Representation Letter about the compliance of laws, rules and regulation and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For PI & Associates,
Company Secretaries**

Sd/-
Nitesh Latwal
Partner
ACS No.: A32109
C P No.: 16276
UDIN: A032109D000078298
Date: April 6, 2022
Place: New Delhi

INDEPENDENT AUDITOR’S REPORT

To the Members of Model Economic Township Limited

Report on the Audit of 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 March 31, 2022, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information hereinafter referred to as “Financial Statements”.

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 Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, the changes in equity and its cash flows 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 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 Act 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 on the Financial Statements.

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 the 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 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 with reference to Financial Statements 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, 2020 ("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 March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**";
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors 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 March 31, 2022 on its financial position in its Financial Statements. Refer Note no.32 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.
- iv. (a) Based on the representation provided by the management and to the best of their knowledge and belief, no funds have been advanced or loaned or invested by the Company to or in any other persons or entities, including foreign entities, with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company, or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) Based on the representation provided by the management and to the best of their knowledge and belief, no funds have been received by the Company from any other persons or entities, including foreign entities, with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party, or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, and

(c) Based on audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under clause iv (a) & iv (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year, accordingly reporting under this clause is not applicable to the Company.

For D T S & Associates LLP
Chartered Accountants
 (Firm Registration No. 142412W/W100595)

Sd/-

Parimal Kumar Jha
 Partner
 Membership No. 124262
 UDIN: - 22124262AGXAZA8535

Place: Mumbai,
 Dated: April 08, 2022

“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under “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 2022)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme for physical verification in a phased periodic manner, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the company does not hold any immovable properties as property, plant and equipment except investment property, the title deeds of which are held in the name of the Company.
- (d) The Company has not revalued its property, plant & equipment (including right of use assets) and intangible assets during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable to the Company.
- (e) According to information and explanations given to us, no proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The inventories of the Company consist of the land and projects under development /construction. The management has conducted physical verification of inventory at reasonable intervals during the year and in our opinion the coverage and procedure of such verification is appropriate. Based upon the audit procedures performed and according to the information and explanations provided by the management, we report that no discrepancy of 10% or more is noticed on such physical verification.
- (b) According to information and explanations given to us, the Company has not been sanctioned working capital limits from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions of clause 3(ii)(b) of the Order are not applicable to the Company.
- (iii) In our opinion and according to the information and explanations provided to us, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clause 3(iii)(a), (c), (d), (e) and (f) of the Order are not applicable to the Company. In respect of clause 3(iii)(b) of the Order, the Company has made investment during the year in an associate company. In our opinion the terms and conditions of such investment are not prejudicial to the Company’s interest.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 & 186 of the Act as applicable, in respect of loans, investments, guarantees and security.

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and the Cost Records and Audit (Telecommunication Industry) Rules prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Goods and Services tax, Duty of customs, Duty of excise, Value Added Tax, Cess and Other Statutory Dues applicable to it.

According to the information and explanations provided to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales Tax, Goods and Service tax, Duty of customs, Duty of excise, Value added tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations provided to us, there are no dues of Sales-tax, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and Goods and Service Tax which have not been deposited on March 31, 2022 on account of any dispute.

- (viii) According to the information and explanations given to us, there is no transaction which has not been recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) In our opinion and according to the information and explanations provided by the management, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us, the Company is not declared willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations provided by the management, the Company has not availed any term loan facility during the year. Accordingly, the provisions of clause 3(ix)(c) of the Order are not applicable to the Company.
- (d) In our opinion and according to the information and explanations provided by the management, the Company has not raised funds for short term purposes. Accordingly, the provisions of clause 3(ix)(d) of the Order are not applicable to the Company.
- (e) In our opinion and according to the information and explanations provided by the management, the Company has not taken funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) In our opinion and according to the information and explanations provided by the management, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures.

- (x) (a) In our opinion and according to the information and explanations provided by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations provided to us and on an overall examination of the balance sheet, the Company has made preferential allotment of Zero Coupon Optionally Fully Convertible Unsecured Debentures during the year and has complied with the provisions of the Companies Act, 2013. Also, funds raised have been used for the purposes for which the funds were raised.
- (xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report is filed by the auditors under sub-section 12 of section 143 of the Companies Act, 2013.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations provided by the management, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the Company has an internal audit system which commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditors for the period under audit were considered by us.
- (xv) According to the information and explanations provided by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Act.
- (xvi) (a) According to the information and explanations provided to us, the provisions The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the provisions of clause 3(xvi)(a) of the Order are not applicable to the Company and hence not commented upon.
- (b) According to the information and explanations provided to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year.
- (c) According to the information and explanations provided to us, the Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company and hence not commented upon.
- (d) According to the information and explanations provided to us, there is not more than one CIC as part of the Group.

- (xvii) According to the information and explanations provided to us and on an overall examination of the balance sheet, the Company has not incurred cash losses in the current financial year and immediately preceding financial year.
- (xviii) There has not been any resignation of the Statutory Auditor during the year.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) In our opinion and according to the information and explanations provided by the management, the provisions of section 135 of the Companies Act, 2013 are not applicable to the Company and hence, reporting requirements under clause 3(xx) of the Order are not applicable to the Company and, not commented upon.

For D T S & Associates LLP
Chartered Accountants
 (Firm Registration No. 142412W/W100595)

Sd/-

Parimal Kumar Jha
 Partner
 Membership No.124262
 UDIN: - 22124262AGXAZA8535

Place: Mumbai,
 Dated: April 08, 2022

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

(Referred to in paragraph 2(f) under “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 2022)

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

We have audited the internal financial controls with reference to Financial Statements of **Model Economic Township Limited** (“the Company”) as of March 31, 2022 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 with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls (the “Guidance Note”) with reference to Financial Statements 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 with reference to the Financial Statements 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 with reference to Financial Statements 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 with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, 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 with reference to Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to Financial Statements 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 with reference to Financial Statements 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 authorizations 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Financial Statements, 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 with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements 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 with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2022, 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 LLP

Chartered Accountants

(Firm Registration No. 142412W/W100595)

Sd/-

Parimal Kumar Jha

Partner

Membership No.124262

UDIN: - 22124262AGXAZA8535

Place: Mumbai,

Dated: April 08, 2022

MODEL ECONOMIC TOWNSHIP LIMITED
BALANCE SHEET AS AT 31ST MARCH 2022

	Notes	As at 31st March 2022 (Rs in Lakhs)	As at 31st March 2021 (Rs in Lakhs)
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	2 013	202
Capital Work in Progress	3	463	-
Investment Property	4	233	233
Intangible assets	3	3	4
Financial Assets			
Investments	5	2 928	2 395
Other Financial Assets	6	373	251
Other Non Current Assets	7	542	563
Total Non -Current assets		6 555	3 648
Current assets			
Inventories	8	7 37 607	7 34 433
Financial Assets			
Investments	9	4 014	7 161
Trade Receivables	10	280	12
Cash and cash equivalents	11	614	640
Other Financial Assets	12	6	10
Current Tax Assets (Net)	13	807	416
Other Current Assets	14	3 387	2 808
Total Current assets		7 46 715	7 45 480
TOTAL ASSETS		7 53 270	7 49 128
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	9 700	9 700
Other Equity	16	6 36 261	4 16 316
Total Equity		6 45 961	4 26 016
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	17	42 444	2 81 744
Lease Liabilities		989	-
Other Financial Liabilities	18	755	-
Provisions	19	5 189	3 598
Deferred Tax Liabilities (Net)	20	1 656	1 667
Total Non-Current Liabilities		51 033	2 87 009
Current Liabilities			
Financial Liabilities			
Lease Liabilities		61	-
Trade payables	21		
Micro and Small enterprises		288	682
Other than Micro and Small enterprises		2 687	2 864
Other Financial Liabilities	22	785	220
Other Current Liabilities	23	51 810	31 127
Provisions	24	645	1 210
Total Current Liabilities		56 276	36 103
Total Liabilities		1 07 309	3 23 112
Total Equity and Liabilities		7 53 270	7 49 128

Significant Accounting Policies
See accompanying Notes to the Financial Statements

1 to 47

As per our Report of even date
For D T S & Associates LLP
Chartered Accountants
Regn No. 142412W / W100595

Sd/-

Parimal Kumar Jha
Partner
Membership No. - 124262

Place: Mumbai
Date: 8 April 2022

For and on behalf of the Board

Sd/-
Shrivallabh Goyal
(Director)
DIN- 00021471

Sd/-
Shanker Adawal
(Director)
DIN- 01039400

Sd/-
Sudhir Jain
(Chief Financial Officer)
Membership No : 084440

Sd/-
Pankaj Kumar
(Company Secretary)
Membership No. A66748

Place : Gurugram
Date: 8 April 2022

MODEL ECONOMIC TOWNSHIP LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2022

	Notes	2021-22 (Rs in Lakhs)	2020-21 (Rs in Lakhs)
Income			
Revenue from Operations	25	33 761	25 836
Other Income	26	916	477
Total Income		34 677	26 313
Expenses			
Changes in Inventories	27	(3 452)	(21 700)
Employee Benefits Expense	28	1 478	1 273
Finance Cost	29	6 121	20 641
Depreciation and Amortization Expense	3	207	69
Other Expenses	30	25 330	20 308
Total Expenses		29 684	20 591
Profit/(Loss) before tax		4 993	5 722
Tax expense			
(1) Current Tax		63	-
(2) Deferred Tax		(12)	701
		51	701
Profit/(Loss) for the year		4 942	5 021
Other Comprehensive Income			
(a) Items that will not be reclassified to profit or loss		-	-
Remeasurement of the defined benefit plan		4	(9)
Income tax relating to items that will not be reclassified to profit or loss		(1)	2
(b) Items that will be reclassified to profit or loss			
Income tax relating to items that will be reclassified to profit or loss		-	-
Total Comprehensive Income for the year		4 945	5 014
Earning per equity share of face value of Rs 10 each	31		
(1) Basic		5.10	5.18
(2) Diluted		0.08	0.12

Significant Accounting Policies
See accompanying Notes to the Financial Statements

1 to 47

As per our Report of even date
For D T S & Associates LLP
Chartered Accountants
Regn No. 142412W / W100595

Sd/-

Parimal Kumar Jha
Partner
Membership No. - 124262

Place: Mumbai
Date: 8 April 2022

For and on behalf of the Board

Sd/-

Shrivallabh Goyal
(Director)
DIN- 00021471

Sd/-

Shanker Adawal
(Director)
DIN- 01039400

Sd/-

Sudhir Jain
(Chief Financial Officer)
Membership No : 084440

Sd/-

Pankaj Kumar
(Company Secretary)
Membership No. A66748

Place : Gurugram
Date: 8 April 2022

MODEL ECONOMIC TOWNSHIP LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED AS ON 31ST MARCH 2022

A. Equity Share Capital

	As at 31st March 2022		As at 31st March 2021	
	Numbers	Rs in Lakhs	Numbers	Rs in 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

(Rs in Lakhs)

	Reserve and Surplus				Total
	Instruments classified as equity	Capital Reserve	Retained Earning	Other Comprehensive Income	
Year ended 31st March, 2021					
Balance at the beginning of the year	4 12 592	5 818	(7 056)	(52)	4 11 302
Total Comprehensive Income for the year	-	-	5 021	(7)	5 014
Balance as at 31st March, 2021	4 12 592	5 818	(2 035)	(59)	4 16 316
Year ended 31st March, 2022					
Balance at the beginning of the year	4 12 592	5 818	(2 035)	(59)	4 16 316
Add: Issued during the year	2 15 000	-	-	-	2 15 000
Total Comprehensive Income for the year	-	-	4 942	3	4 945
Balance as at 31st March, 2022	6 27 592	5 818	2 907	(56)	6 36 261

As per our Report of even date
For D T S & Associates LLP
Chartered Accountants
Regn No. 142412W / W100595

Sd/-

Parimal Kumar Jha
Partner
Membership No. - 124262

Place: Mumbai
Date: 8 April 2022

For and on behalf of the Board

Sd/-
Shrivallabh Goyal
(Director)
DIN- 00021471

Sd/-
Sudhir Jain
(Chief Financial Officer)
Membership No : 084440

Place : Gurugram
Date: 8 April 2022

Sd/-
Shanker Adawal
(Director)
DIN- 01039400

Sd/-
Pankaj Kumar
(Company Secretary)
Membership No. A66748

MODEL ECONOMIC TOWNSHIP LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

	2021-22 (Rs in Lakhs)	2020-21 (Rs in Lakhs)
A: CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax as per Statement of Profit and Loss	4 993	5 722
Adjusted for:		
Net Realized Gain on Financial Assets	(314)	(50)
Loss on Sale/ Discard of Property, Plant and Equipment	5	6
Depreciation and Amortisation	207	69
Unrealized Loss on Financial assets	34	(56)
Interest Income	(2)	(281)
Finance Costs	6 031	20 546
Operating Profit before Working Capital Changes	10 954	25 956
Adjusted for:		
Trade and Other Receivables	(922)	891
Inventories	(3 174)	(21 700)
Trade and Other Payables	22 462	6 290
Cash Generated From Operations	29 320	11 436
Tax Paid (Net of Refund of TDS)	453	(164)
Net Cash Flow From Operating Activities (A)	28 867	11 600
B: CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant & Equipment and Intangible assets	(1 378)	(56)
Proceeds from disposal of Property, Plant & Equipment and Intangible Assets (Rs. 12 928)	0	2
Investment in Mutual Funds	(38 598)	(18 550)
Disposal of Investment in Mutual Funds	42 025	11 494
Investments in Bonds of Associates	(494)	(2 395)
Investments in Equity Shares of Associates (Right Issue)	(40)	-
Investment in Financial Assets	(78)	-
Redemption of Financial Assets	56	(42)
Interest Income	2	281
Net Cash Flow Generating from/(Used in) Investing Activities (B)	1 495	(9 266)
C: CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Borrowings- Non Current	5 700	20 565
Payment of Lease Liabilities	(57)	-
Repayment of Borrowings-Non Current	(2 45 000)	(2 065)
Issue of Zero Coupon Optionally Fully Convertible Debentures	2 15 000	-
Interest paid	(6 031)	(20 546)
Net Cash Flow (Used in) Financing Activities (C)	(30 388)	(2 046)
Net (Decrease) / Increase in Cash and Cash Equivalents(A+B+C)	(26)	288
Opening Balance of Cash and Cash Equivalents	640	352
Closing Balance of Cash and Cash Equivalents (Refer note 11)	614	640

Changes in Liability arising from financing activities

	(Rs in Lakhs)		
	As on 1st April, 2021	Cash Flow	As on 31st March, 2022
Borrowing- Non Current (Refer note 17)	2 81 744	(2 39 300)	42 444
Borrowing- Current	-	-	-
	2 81 744	(2 39 300)	42 444
	As on 1st April, 2020	Cash Flow	As on 31st March, 2021
Borrowing- Non Current (Refer note 17)	2 81 744	18 500	2 81 744
Borrowing- Current	-	-	-
	2 81 744	18 500	2 81 744

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 LLP
Chartered Accountants
Regn No. 142412W / W100595

Sd/-

Parimal Kumar Jha
Partner
Membership No. - 124262

Place: Mumbai
Date: 8 April 2022

For and on behalf of the Board

Sd/-

Shrivallabh Goyal
(Director)
DIN- 00021471

Sd/-

Sudhir Jain
(Chief Financial Officer)
Membership No : 084440

Place : Gurugram
Date: 8 April 2022

Sd/-

Shanker Adawal
(Director)
DIN- 01039400

Sd/-

Pankaj Kumar
(Company Secretary)
Membership No. A66748

MODEL ECONOMIC TOWNSHIP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022****A. CORPORATE INFORMATION**

Model Economic Township Limited is public limited company having its registered office at Third Floor, 77 B, IFFCO Road, Sector 18, Gurugram-122015, Haryana.

Presently, the Company is carrying out development activities in its industrial colonies and sale of residential plots, 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) Certain Financial Assets and Liabilities,
- ii) Defined Benefit Plans - Plan Assets,
- iii) Annuity Payment for Future Period to Land Sellers, and
- iv) Lease Rentals Receivable from Customers for future period

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, (as amended from time to time) and Presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS Compliant Schedule III) as amended from time to time.

The Company's Financial Statements are presented in Indian Rupees, which is also its functional currency and all values are rounded to the nearest Lakh (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 classification.

An 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 at least 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 no un-conditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Net Deferred tax assets/liabilities (net) are classified as non-current assets/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 the assets.

MODEL ECONOMIC TOWNSHIP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**

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 on depreciable amount. 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 and 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, if they are sold without any further development, or inventorize. 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 lease.

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 in the balance sheet as lease rents receivable.

Lease rents received by the Company are apportioned between finance income and reduction of the lease rent 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.

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, the Company uses incremental borrowing rate.

MODEL ECONOMIC TOWNSHIP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term

(e) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation and impairment losses, 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, 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 and Loss when the asset is derecognised. The Company's Intangible Assets comprises assets with finite useful lives which are amortized on a straight-line basis over the period of their expected useful lives.

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

Particular	Amortization
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, cash at bank, short-term deposits 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.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for 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.

MODEL ECONOMIC TOWNSHIP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**

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 cost 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 assessments 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) Contingent Liabilities

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

(l) Employee Benefits Expense**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**

The Company recognises 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. 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- 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 @15 days basic 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.

Remeasurement gains and losses arising from adjustments and changes in actuarial assumptions are recognized in the period in which they occur in Other Comprehensive Income.

(m) Tax Expenses

The tax expenses 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 Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

- 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

MODEL ECONOMIC TOWNSHIP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**

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.

(n) 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. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer.

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

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

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 total estimated cost of the project subject to such actual cost incurred 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.

Contract Balances**Trade Receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

Contract liabilities are recognised as revenue when the Company performs under the contract.

Interest Income

Interest Income from a Financial Assets is recognised using effective interest rate method.

Dividend Income

MODEL ECONOMIC TOWNSHIP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**

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

(o) Financial Instruments**i. Financial Assets****A. Initial Recognition and Measurement**

All Financial Assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

B. Subsequent Measurement**a) Financial Assets measured at Amortised Cost (AC)**

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise to cash flows on specified dates that represent solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories are measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

C. Investment in Subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in Subsidiaries, associates and joint venture at cost less impairment loss (if any).

D. Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected Credit Losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For Trade Receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ii. Financial Liabilities**A. Initial Recognition and Measurement**

All Financial Liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent Measurement

MODEL ECONOMIC TOWNSHIP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**

Financial Liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii. De-recognition of Financial Instruments

The Company derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for de-recognition under Ind AS 109. A Financial liability (or a part of a Financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

iv. Offsetting

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(p) Earnings 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) Property Plant and Equipment/ Intangible Assets

Estimates are involved in determining the cost attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management. 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

The timing of recognition and quantification of the liability (including litigations) requires 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 Financial and Non-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.

MODEL ECONOMIC TOWNSHIP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**

In case of non-financial assets, assessment of impairment indicators involves consideration of future risks/ changes relating to such assets. Further, the company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use.

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) 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.

f) Estimation Uncertainty Relating to The Global Health Pandemic On COVID-19

The outbreak of Coronavirus (COVID -19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. -

The Company's operations and revenue during the period were impacted due to COVID-19. The Company has taken into account the possible impact of COVID-19 in preparation of financial statements, including its assessment of recoverable value of its assets based on internal and external information up to the date of approval of these financial statements and current indicators of future economic conditions.

g) Standards Issued but Not Effective

On March 23, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2022.

i. Ind AS 101	–	First time adoption of Ind AS
ii. Ind AS 103	–	Business Combination
iii. Ind AS 109	–	Financial Instrument
iv. Ind AS 16	–	Property, Plant and Equipment
v. Ind AS 37	–	Provisions, Contingent Liabilities and Contingent Assets
vi. Ind AS 41	–	Agriculture

Application of above standards are not expected to have any significant impact on the company's financial statements

MODEL ECONOMIC TOWNSHIP LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

3. Property, Plant and Equipment and Intangible Assets

(Rs. In Lakhs)

Description	Gross Block				Depreciation / Amortization				Net Block	
	As at	Additions	Deductions / Adjustments	As at	Upto	For the Year	Deductions / Adjustments	Upto	As at	As at
	1st April 2021	2021-22		31st March 2022	1st April 2021	2021-22		31st March 2022	31st March 2022	31st March 2021
Own Assets										
Leasehold improvements	-	182	-	182	-	4	-	4	178	-
Building	177	-	2	175	87	41	2	126	49	90
Plant and Equipment #	1	587	-	588	1	15	-	16	572	-
Office Equipments	231	40	64	207	181	25	61	145	62	50
Furniture & Fixture	65	32	20	77	43	3	19	27	50	22
Vehicles	14	-	-	14	12	1	-	13	1	2
Others (Electrical Installation)	72	74	4	142	34	4	3	35	107	38
Subtotal	560	915	90	1 385	358	93	85	366	1 019	202
Right-of-Use Assets										
Land and Building	-	1 107	-	1 107	-	113	-	113	994	-
Subtotal	-	1 107	-	1 107	-	113	-	113	994	-
Total (A)	560	2 022	90	2 492	358	206	85	479	2 013	202
Intangible Assets										
Computer Software*	6	0	0	6	2	1	-	3	3	4
Total (B)	6	0	0	6	2	1	-	3	3	4
Total (A+B)	566	2 022	90	2 498	360	207	85	482	2 016	206
Previous Year	478	183	97	566	380	69	90	360	206	98
Capital work in Progress									463	-

* Other than internally generated

Rs. 4 256 in previous year

3.1 Capital-Work-in Progress (CWIP)

CWIP	Amount in CWIP for a period of				
	< 1 year	1-2 Years	2-3 years	> 3 years	Total
Project in progress	463	-	-	-	463
Project temporarily suspended	-	-	-	-	-
Total	463	-	-	-	463

There was no CWIP as at 31st March, 2021

MODEL ECONOMIC TOWNSHIP LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

	As at 31st March 2022 (Rs in Lakhs)	As at 31st March 2021 (Rs in Lakhs)
4. Investment Property		
Cost of Investment Property (refer note 36)	233	233
Total	233	233
5. Investments - Non-Current		
INVESTMENTS MEASURED AT COST		
In Equity Shares of Associate		
Unquoted, fully paid up		
IndoSpace MET Logistics Park Farukhnagar Private Limited (formerly known as Dadri Toe Warehousing Pvt. Ltd.) 2,43,43,661 shares @ Rs 10/- each (previous year 2,39,45,276 shares)	2 434	2 395
Investment in Non Convertible Bonds at FVTPL		
Unquoted, fully paid up		
IndoSpace MET Logistics Park Farukhnagar Private Limited (formerly known as Dadri Toe Warehousing Pvt. Ltd.) (49,400 bonds @ Rs 1000/- each)	494	-
Total	2 928	2 395
6. Other Financial Assets - Non Current		
Recoverable from Customers	136	41
Lease Rent Receivable in Future	42	47
Employee Loans Recoverable in Future	5	6
Security Deposits	112	101
Bank Deposits with more than 12 months maturity (refer note 6.1)	78	56
Total	373	251
6.1. Bank deposits include Rs. Nil (previous year Rs. 56 Lacs) as deposits with banks under lien.		
7. Other Non Current Assets		
Prepaid Expenses	6	28
Balance with GST Authorities	536	535
Total	542	563
8. Inventories		
Work- in- Progress	7 35 870	7 32 418
Recoverable from Prospective Customers	1 737	2 015
Total	7 37 607	7 34 433
8.1 The Company has consolidated purchased land, undertaken land development activities in its licensed industrial colonies, coordinated and obtained various government approvals etc. The developed land is provided to the end users for various purposes, such as industrial, residential, commercial etc. The Company has been treating the land as inventory in its books of account. The Company either sells the developed land on outright basis or transfer such land on long term lease basis with upfront lease premium which is qualified to be finance lease as per the requirements of Indian Accounting Standard - 17 " Leases". Since the development and monetization of remaining land will take a substantial period of time to get ready for its intended use or sale, interest on borrowings amounting to Rs. 5 949 Lacs incurred during the year (Previous Year Rs 20 546 Lacs) has been considered as part of Inventory. The Company has mortgaged 95.36 Acres of land to Director Town and Country Planning, as a security to meet its obligation for completing Infrastructure development works with corresponding book value of 9 219 Lacs.		
9. Investments - Current		
INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS		
NIPPON India Low Duration Fund - Direct Growth		
1,26,658.432 units (previous year 2,37,086.293 units) - Unquoted	4 014	7 161
Total	4 014	7 161
Aggregate amount of Unquoted Investments	4 014	7 161
10. Trade Receivables		
(Unsecured, considered good)		
Trade Receivables	280	12
Total	280	12

MODEL ECONOMIC TOWNSHIP LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

As at 31st March
2022
(Rs in Lakhs)

As at 31st March
2021
(Rs in Lakhs)

10.1 Trade receivable aging schedule as at 31st March, 2022

Particulars	Outstanding from due date of payment					Total
	< 6 months	6 months - 1 year	1-2 year	2-3 year	> 3 year	
Undisputed Trade receivables – considered good	235	11	1	-	-	247
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	235	11	1	-	-	247

10.2 Trade receivable aging schedule as at 31st March, 2021

Particulars	Outstanding from due date of payment					Total
	< 6 months	6 months - 1 year	1-2 year	2-3 year	> 3 year	
Undisputed Trade receivables – considered good	3	1	2	-	-	6
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	3	1	2	-	-	6

11. Cash and Cash Equivalents

(i) Cash on Hand	67	67
(ii) Balances with Banks		
'-in Current Accounts	506	573
(iii) 'Other Bank Balance		572
'-Balance in current account for compliance (refer note 11.1)	41	1
	614	640

11.1 Represents the amount deposited in separate account, in compliance of the Real Estate (Regulation and Development) Act 2016 read with Haryana Real Estate (Regulation and Development) Rule 2017.

12. Other Financial Assets - Current

Interest Accrued on Bank Deposits (Rs. 7 482)	0	1
Lease Rent Receivable in Future	5	6
Employee Loans Recoverable in Future	1	3
Total	6	10

13. Current tax Assets (Net)

Tax Deducted at Source	870	416
Total	870	416

14. Other Current Assets

Balance with GST Authorities	93	27
Prepaid Expenses	84	96
Others Advances	3 210	2 686
Total	3 387	2 808

MODEL ECONOMIC TOWNSHIP LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

15. Share Capital

	As at 31st March 2022 (Rs in Lakhs)	As at 31st March 2021 (Rs in Lakhs)
<u>Authorised Share Capital</u>		
50 00 00 000 Equity Shares of Rs 10/- each (Previous year 50 00 00 000 equity shares of Rs 10/- each)	50 000	50 000
<u>Issued, Subscribed & Paid up</u>		
9 70 00 000 Equity Shares of Rs 10/- each fully paid up (Previous year 9 70 00 000 Equity Shares of Rs 10/- each fully paid up)	9 700	9 700
Total	9 700	9 700

15.1. Reconciliation of numbers of shares outstanding at the beginning of the year and at the end of the year

	As at 31st March 2022		As at 31 March 2021	
	Numbers	Rs in Lakhs	Numbers	Rs in Lakhs
Shares outstanding at the beginning of the year	9 70 00 000	9 700	9 70 00 000	9 700
Add: Shares Issued on right basis during the year	-	-	-	-
Shares outstanding at the end of the year	9 70 00 000	9 700	9 70 00 000	9 700

a. Details of Shareholding more than 5% shares

	As at 31st March 2022		As at 31 March 2021	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Holding Company- Reliance Ventures Limited & its Nominees (Promoter of the Company)	9 70 00 000	100%	9 70 00 000	100%
(Equity Shares of Rs 10 each fully paid)				
Total	9 70 00 000	100%	9 70 00 000	100%

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.

MODEL ECONOMIC TOWNSHIP LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

	As at 31st March 2022 (Rs in Lakhs)	As at 31 March 2021 (Rs in Lakhs)
16. Other Equity		
Instrument classified as equity		
Zero Coupon Optionally Fully Convertible		
Unsecured Debentures		
As per last Balance Sheet	4 12 592	4 12 592
Add: Debentures issued during the year	2 15 000	-
Closing Balance	6 27 592	4 12 592

16.1. 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 Services and Holdings 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 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.

16.2 The Company had further issued 215 00 00 000 number of Zero Coupon Optionally fully convertible unsecured Debentures having face value of Rs 10/- each to Reliance 4IR Reality Development Limited. Total tenure is 20 years from the date of allotment and the Company will settle the outstanding debentures on expiry of 20 years. The Company may decide for early redemption of the outstanding Debentures on any date after expiry of 30 days from the date of allotment of Debentures. The Company or debenture holder have the option for early conversion at any time by giving one month notice. The conversion of Debentures will be based on the conversion ratio of 0.7 : 1 (7 shares for every 10 debentures). 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 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.

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	5 818	5 818

Retained Earning

As per last Balance Sheet	(2 035)	(7 056)
Add: Net Profit/(Loss) for the year	4 942	5 021
Closing Balance	2 907	(2 035)

Other Comprehensive Income (OCI)

As per last Balance Sheet	(59)	(52)
Add: Movement in OCI (net) during the year	3	(7)
Closing Balance	(56)	(59)

Total	6 36 261	4 16 316
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MODEL ECONOMIC TOWNSHIP LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

	As at 31st March 2022 (Rs in Lakhs)	As at 31st March 2021 (Rs in Lakhs)			
17. Borrowings					
Unsecured - At Amortized Cost					
Loans from Related Parties					
From Fellow Subsidiary	42 444	2 81 744			
Total	42 444	2 81 744			
17.1 Loans outstanding are repayable on 31st March,2025 and carrying interest @ 7.50% p.a					
18. Other Financial Liabilities - Non Current					
Retention Money Payable	755	-			
Total	755	-			
19. Provisions- Non Current					
Annuity	5 139	3 556			
Provision For Leave Encashment	50	42			
Total	5 189	3 598			
20. Deferred Tax Liabilities (Net)					
At the start of the year	1 667	967			
(Credit)/ Charge to profit or loss	(11)	700			
At the end of the year	1 656	1 667			
21. Trade Payables					
Trade Payables Due to					
Micro and Small enterprises	288	682			
Other than Micro and Small enterprises	2 687	2 865			
Total	2 975	3 547			
21.1 Trade Payable ageing as at 31st March 2022					
Particulars	Outstanding from due date of payment				Total
	< 1 year	1-2 year	2-3 year	> 3 year	
MSME	-	-	-	-	-
Others	-	-	-	-	-
Disputed Dues - MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-
Total	-	-	-	-	-
21.2 Trade Payable ageing as at 31st March 2021					
Particulars	Outstanding from due date of payment				Total
	< 1 year	1-2 year	2-3 year	> 3 year	
MSME	-	-	-	-	-
Others	-	-	-	-	-
Disputed Dues - MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-
Total	-	-	-	-	-
22. Other Financial Liabilities - Current					
Retention Money Payable	690	174			
Security Deposits received from Customers	95	46			
	785	220			
23. Other Current Liabilities					
Advance received from Customers					
Contract liabilities:					
Billing in excess of revenue recognised	14 446	8 892			
Advances from customers	33 952	17 249			
Annuity	3 044	2 813			
Other Liabilities*	368	2 173			
Total	51 810	31 127			

* Includes statutory dues and employees benefits

MODEL ECONOMIC TOWNSHIP LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

	As at 31st March 2022 (Rs in Lakhs)	As at 31st March 2021 (Rs in Lakhs)
24. Provisions - Current		
(a) Provision for Employee Benefits		
Leave Encashment	28	34
Superannuation (Rs. 8 414, previous year Rs. 10 833)	0	0
(b) Others		
Estimated Cost Over Revenue	-	45
Annuity	617	1 131
Total	645	1 210

MODEL ECONOMIC TOWNSHIP LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

	2021-22 (Rs in Lakhs)		2020-21 (Rs in Lakhs)	
25. Revenue From Operations				
Sale of Land				
- Undeveloped	2 314		8 867	
- Developed	31 193	33 507	16 789	25 656
Lease Rent	21		16	
Less: GST Recovered	3	18	2	14
Other Operating Income				
Common Area Maintenance Service Charges	194		161	
Less: GST Recovered	30	164	25	136
Transfer Charges	37		13	
Less: GST Recovered	6	31	2	11
Water Supply and Treatment Charges	39		21	
Less: GST Recovered	4	35	2	19
Extension Charges	7		-	
Less: GST Recovered	1	6	-	-
Total		33 761		25 836
26. Other Income				
Interest Income				
- On Fixed Deposit with scheduled bank	2		1	
- Others	425	427	357	358
Finance Income against Lease Rental		8		7
Gain on Financial Assets				
- Realized Gain		314		50
- Unrealized (Loss) / Gain		(34)		56
Miscellaneous Income		201		6
Total		916		477
27. Changes in Inventories				
Projects under Development (Work-in-Progress at close)		7 35 870		7 32 418
Projects under Development (Work-in-Progress at commencement)		7 32 418		7 10 718
Total Change in Inventories		(3 452)		(21 700)
28. Employee Benefits Expense				
Salaries and wages		1 347		1 150
Contribution to Provident and other Fund		71		71
Staff welfare expenses		60		52
Total		1 478		1 273
29. Finance Cost				
Interest on Unsecured Loan		5 950		20 546
Guarantee Commission		90		95
Interest on Lease Liabilities		81		-
Total		6 121		20 641

MODEL ECONOMIC TOWNSHIP LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**

	2021-22 (Rs in Lakhs)	2020-21 (Rs in Lakhs)
30. Other Expenses		
Land	6 203	2 430
Land Development	12 441	12 127
Annuity Expenses	3 360	4 277
Salaries & Wages - Contractors	432	411
Rent	116	134
Rates & Taxes	9	0
Insurance	60	50
Telephone Expenses	10	5
Travelling & Local Conveyance	98	57
Power & Fuel	108	47
Repair & Maintenance		
- Plant and Machinery	13	9
- Buildings	41	47
- Others	15	18
Professional & Consultancy Fees	575	487
Security Expenses	307	285
Brokerage and Commission	1 138	475
Social Programme Expenses	44	1
Payment to Auditors (Refer note 30.1)	47	35
Director Sitting Fees	7	6
Loss on Sale of Property, Plant & Equipment	5	6
General Expenses	346	149
Provision/(Reversal) for Estimated Cost Over Revenue	(45)	(748)
Total	25 330	20 308
30.1. Payment to Auditors		
Fees as Auditors	38	26
Tax Audit Fees	8	8
Cost Audit Fees	1	1
Total	47	35
31. Earning per share (EPS)		
Net Profit / (Loss) after tax as per Statement of Profit and Loss (Rs.)	4 942	5 021
Weighted Average number of equity shares used as denominator for calculating EPS	9 70 00 000	9 70 00 000
Basic Earning per share (Rs.)	5.10	5.18
Diluted Earning per share (Rs.)	0.08	0.12
Face Value per equity share (Rs.)	10	10

MODEL ECONOMIC TOWNSHIP LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

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

i) List of Related Parties and Relationships:

Sr. No	Name of the Related Party	Relationship
1	Reliance Ventures Limited (RVL)	Holding Company
2	Reliance Industries Limited	Holding Company of RVL
3	Reliance Jio Infocomm Limited	Fellow Subsidiary of Holding Company
4	Reliance Retail Limited	Fellow Subsidiary of Holding Company
5	Reliance 4IR Realty Development Limited	Fellow Subsidiary of Holding Company
6	Reliance Services and Holdings Limited (formerly Reliance World Trade Private Limited)	Fellow Subsidiary of Holding Company
7	IndoSpace MET Logistics Park Farukhnagar Private Limited (formerly known Dadri Toe Warehousing P Ltd) (subsidiary upto 26th Feb 2021)	Associate Company
8	Shri Shrivallabh Goyal, Whole Time Director	Key Managerial Personnel
9	Shri Sudhir Jain , Chief Financial Officer	
10	Ms Rashmi Mishra, Company Secretary (upto 30 th June, 2021)	
11	Shri Pankaj Kumar, Company Secretary (wef 8th October 2021)	

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

(a) Transactions during the year 2021-22

(Rs. in Lakhs)

S. N.	Nature of Transaction	Holding Company of RVL	Associate Company	Fellow Subsidiaries of Holding Company	Key Managerial Personnel
1	Unsecured Loans Received	-	-	5 700	-
		-	-	22 965	-
2	Unsecured Loans Repaid	-	-	2 45 000	-
		-	-	4 465	-
3	Interest on unsecured loan	-	-	5 950	-
		-	-	20 546	-
4	Lease Rent Received	16	-	-	-
		18	-	-	-
5	Payment to Key Managerial Personnel	-	-	-	355
		-	-	-	293
6	Corporate Guarantee received (net)	(13 058)	-	-	-
		152	-	-	-
7	Fixed Assets Purchased/(Sale)(Net)	-	-	14	-
		-	-	-	-
8	Other Expenses	98	-	61	-
		16	-	10	-
9	Sale of land	-	-	-	-
		-	8 284	-	-
10	Investment in Shares	-	40	-	-
		-	2 395	-	-
11	Loan Given	-	-	-	-
		-	8 894	-	-
12	Loan Repaid	-	-	-	-
		-	8 894	-	-
13	Issue of Zero Coupon optionally Fully Convertible Debentures	-	-	2 15 000	-
		-	-	-	-
14	Subscription to Non-convertible Bonds	-	494	-	-
		-	-	-	-
15	Interest on Loan	-	-	-	-
		-	281	-	-
16	Income from Support Services	-	124	-	-
		-	-	-	-
17	Finance Income against lease rental	1	-	-	-
		1	-	-	-

Note: Figures in italics represent that of previous year.

MODEL ECONOMIC TOWNSHIP LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(b) Balances as at 31st March 2022

(Rs. in Lakhs)

S. N.	Nature of Transaction	Holding Company of RVL	Fellow Subsidiaries of Holding Company	Associate Company	Key Managerial Personnel
1	Unsecured Loans	-	42 444	-	-
		-	2 81 744	-	-
2	Zero Coupon optionally Fully Convertible Debentures	-	6 27 592	-	-
		-	4 12 592	-	-
3	Corporate Guarantee received	11 912	-	-	-
		24 970	-	-	-
4	Investment in Shares	-	-	2 434	-
		-	-	2 395	-
5	Subscription to Non-convertible Bonds	-	-	494	-
		-	-	-	-

Note: Figures in italics represent that of previous year.

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

(Rs. in Lakhs)

S.N	Particulars	Relationship	2021-22	2020-21
1	Unsecured Loans Received Reliance 4IR Realty Development Limited	Fellow Subsidiary	5 700	22 965
2	Unsecured Loans Repaid Reliance 4IR Realty Development Limited	Fellow Subsidiary	2 45 000	4 465
3	Interest on unsecured loan Reliance 4IR Realty Development Limited	Fellow Subsidiary	5 950	20 546
4	Lease Rent Received Reliance Industries Limited	Holding Company of RVL	16	18
5	Payment to Key Managerial Personnel Shri Shrivallabh Goyal Shri Sudhir Jain Ms. Rashmi Mishra (till 30th June, 2021) Shri Pankaj Kumar (from 8 th October, 2021)	Key Managerial Personnel Key Managerial Personnel Key Managerial Personnel Key Managerial Personnel	231 114 2 8	187 99 7 -
6	Corporate Guarantee utilized for issue of bank guarantee of the Company (net) Reliance Industries Limited	Holding Company of RVL	(13 058)	152
7	Fixed Assets Purchased Reliance Retail Limited	Fellow Subsidiary	14	-
8	Other Expenses Reliance Jio Infocomm Limited Reliance Retail Limited Reliance Industries Limited	Fellow Subsidiary Fellow Subsidiary Holding Company of RVL	6 55 98	7 3 16
9	Sale of land IndoSpace MET Logistics Park Farukhnagar Private Limited	Associate	-	8 284
10	Investment in Shares IndoSpace MET Logistics Park Farukhnagar Private Limited	Associate	40	2 395
11	Loan Given IndoSpace MET Logistics Park Farukhnagar Private Limited	Associate	-	8 894
12	Loan Repaid IndoSpace MET Logistics Park Farukhnagar Private Limited	Associate	-	8 894
13	Interest on Loan IndoSpace MET Logistics Park Farukhnagar Private Limited	Associate	-	281
14	Income from Support Services IndoSpace MET Logistics Park Farukhnagar Private Limited	Associate	124	-
15	Finance Income against lease rental Reliance Industries Limited	Holding Company of RVL	1	1
16	Issue of Debentures (ZOFCD) Reliance 4IR Realty Development Limited	Fellow Subsidiary	2 15 000	-
17	Issue of Non-Convertible Bonds (NCB) IndoSpace MET Logistics Park Farukhnagar Private Limited	Associate	494	-

MODEL ECONOMIC TOWNSHIP LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Balance at the end of the year includes:

(Rs. in Lakhs)				
S.N.	Particulars	Relationship	2021-22	2020-21
1	Unsecured Loan Received Reliance 4IR Realty Development Limited	Fellow Subsidiary	42 444	2 81 744
2	Issue of Zero Coupon Optionally Fully Convertible Debentures Reliance Services and Holdings Limited Reliance 4IR Realty Dev. Ltd.	Fellow Subsidiary Holding Company	4 12 592 2 15 000	4 12 592 -
3	Corporate Guarantee utilized for issue of bank guarantee Reliance Industries Limited	Holding Company of RVL	11 912	24 970
4	Investment in Shares IndoSpace MET Logistics Park Farukhnagar Private Limited	Associate	2 434	2 394
5	Investment in Non - Convertible Bonds (NCB) IndoSpace MET Logistics Park Farukhnagar Private Limited	Associate	494	-

32.1 Compensation of Key managerial personnel

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

(Rs. in Lakhs)			
S.N.	Particulars	2021-22	2020-21
1	Short term benefits	335	293
2	Post-employment benefits	11	16
	Total	346	309

33 Contingent Liability & Commitments

(Rs. in Lakhs)		
	2021-22	2020-21
Contingent Liabilities		
(i) Bank Guarantees	11 912	24 970
(ii) In respect of private purchase of land by the Company, 76 civil suits (previous year 34 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		
a. Estimated amount of contracts remaining to be executed as on 31 st March, 2022 (net of advances) and not provided for	23 097	17 692
b. MoUs executed with Land Sellers (net of advances)	122	615
c. Estimated cost to be incurred in connection with development of Industrial colonies under license issued by Directorate of Town & Country Planning, Government of Haryana not included in (a) above	3 521	9 978
d. Rent of offices for unexpired period of rent agreement.	2 378	2 157

Capital Management

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

(Rs. in Lakhs)		
Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Gross Debt	42 444	2 81 744
Cash and Marketable Securities	4 628	7 801
Net Debt (A)	37 816	2 73 943
Total Equity (As per Balance Sheet) (B)	6 45 961	4 26 016
Net Gearing (A/B)	0.06	0.64
Cash and Marketable Securities includes cash and cash equivalent of Rs. 614 Lakhs (previous year Rs. 640 Lakhs) and investment in low duration mutual fund with Nippon India Mutual Fund of Rs 4 014 Lakhs (previous year Rs. 7 161 Lakhs)		

MODEL ECONOMIC TOWNSHIP LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

34 Financial Instruments

Fair value measurement hierarchy

(Rs. in Lakhs)

Particulars	As at 31 st March, 2022				As at 31 st March, 2021			
	Carrying amount	Level of inputs used			Carrying amount	Level of inputs used		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets								
At amortized cost								
Investments in Associate	2 434	-	-	-	2 395	-	-	-
Investment in Non-Convertible Bonds	494	-	-	-	-	-	-	-
Trade Receivables	280	-	-	-	12	-	-	-
Cash and Cash Equivalents	614	-	-	-	640	-	-	-
Other Financial Asset	379	-	-	-	261	-	-	-
At FVTPL	-	-	-	-	-	-	-	-
Investments #	4 014	4 014	-	-	7 161	7 161	-	-
Financial Liability								
At Amortised cost								
Borrowings	42 444	-	-	-	2 81 744	-	-	-
Trade Payable	2 975	-	-	-	3 546	-	-	-
Other Financial Liability	1 540	-	-	-	220	-	-	-

excludes investment of Rs. 2 434 Lakhs (previous year Rs. 2 395 Lakhs) in Associate which has been measured at cost.

The Financial Instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as described below:

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

Level 2: Inputs other than the quoted prices include within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs based on unobservable market data.

The fair value of marketable securities in the form of investment in low duration mutual fund with Nippon India Mutual Fund is measured at NAV (under Level 1) declared by Nippon India Mutual Fund.

Interest rate risk

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

(Rs. in Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Borrowing-Non Current	42 444	2 81 744

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, if any, will be funded by its holding Company.

- 35** 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".

MODEL ECONOMIC TOWNSHIP LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

36 Investment property

Properties held for rental or capital appreciation purposes are classified as investment properties. Investment properties are measured at cost.

Investment Property represents two land parcels admeasuring 1.3125 acres in revenue village of Dadri Toe and 1.1375 acres in revenue village of Badli on operating lease with the intention to earn the rental and capital appreciation. The Company has re-classified both the land parcels as Investment Property. The details are as under:

Particulars	(Rs in Lakhs)
COST:	
As on 1 st April, 2021	233
Additions	-
Transferred to Assets held for Sale	-
Disposals	-
Balance as on 31 st March, 2022	233
Depreciation and Amortization	
As on 1 st April, 2021	-
Depreciation and Amortization during the year	-
Transferred to Assets held for Sale	-
Disposals	-
Balance as on 31 st March, 2022	-
Net Book Value	
As on 31 st March, 2021	233
As on 31 st March, 2022	233

Information regarding income and expenditure of investment Property

		(Rs. in Lakhs)	
S.N.	Particulars	For the year ended	
		31 st March, 2022	31 st March, 2021
1	Rental income derived from investment properties	13	13
2	Less: Direct operating expenses (including repairs and maintenance) that are generating rental income)	-	-
3	Less: Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
4	Profit arising from investment properties before depreciation	13	13
5	Less: Depreciation and Amortization for the year	-	-
6	Profit arising from Investment Properties	13	13

The fair value of the investment property is Rs. 331 Lakhs (Previous year – Rs 404 Lakhs). The fair value is determined based on the methodology adopted for market value determination for land acquired under The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act 2013. Since there are no comparable transactions in MET project area, and also considering fair value determination as per the Act as mentioned above, there is no need for external valuation for the purpose.

- 37** 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 liability for annuity on annual basis. The amount of undiscounted annuity liability as at 31st March, 2022 is Rs 3 044 Lakhs (Previous year Rs. 2 813 Lakhs). 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, 2022 is Rs. 16 540 Lakhs (Previous year Rs 16 052 Lakhs). Thus after carrying out the adjustment as required, the discounted amount of annuity provision and liability as on 31st March, 2022 stands at Rs. 8 800 Lakhs (Previous year – Rs. 7 500 Lakhs). Such provisions will be re-measured in subsequent years as per the requirement of Indian Accounting Standards.

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

		(Rs. in Lakhs)	
S.N.	Particulars	As at	
		31 st March 2022	31 st March 2021
1	Gross lease rentals receivable	1 284	1 298
2	Present value of minimum lease payments receivable	48	47
(a)	Not later than one year	5	5
(b)	Later than one year but not later than five years	16	16
(c)	Later than five years	27	27
3	Unearned Finance Income	1 236	1 250

MODEL ECONOMIC TOWNSHIP LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

39 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	(Rs. in Lakhs)	
		As at	
		31 st March 2022	31 st March 2021
1	Balance at the beginning	4 686	2 622
2	Add provisions made during the year incl unwinding discount	1 699	2 409
3	Less: Amount used/charged against the provisions during the year	629	345
4	Balance at the end	5 756	4 686

40 Employee Benefits

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

Defined Contribution Plans:

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

	(Rs. in Lakhs)	
	2021-22	2020-21
Employer's Contribution to Provident Fund	43	39
Employer's Contribution to Superannuation Fund	1	1
Employer's Contribution to Pension Scheme	12	11

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

Particulars	(Rs. in Lakhs)	
	Gratuity (Funded)	
	2021-22	2020-21
Defined Benefit Obligation at beginning of the year	202	176
Current Service cost	11	17
Interest Cost	14	13
Actuarial (gain) / loss on obligations due to change in financial assumptions	(2)	(1)
Actuarial (gain) / loss	(2)	10
Transfer in/ (Out)	(14)	-
Benefits paid	(3)	(13)
Defined Benefit obligation at year end	206	202

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

Particulars	(Rs. in Lakhs)	
	Gratuity (Funded)	
	2021-22	2020-21
Fair Value of Plan Assets at beginning of the year	202	178
Expected Return on Plan Assets	14	12
Liability Transferred In/Acquisitions	(14)	-
Actuarial Gain / (Loss)	-	-
Employers Contribution	4	12
Benefits paid	-	-
Fair value of Plan assets at year end	206	202

III. Reconciliation of fair value of Assets and Obligations

Particulars	(Rs. in Lakhs)	
	Gratuity (Funded)	
	2021-22	2020-21
Fair value of Plan Assets	206	202
Present value of Obligation	206	202
Net Liability/(Asset) Recognized in the Balance Sheet	-	-

IV. Expenses recognized during the year

Particulars	(Rs. in Lakhs)	
	Gratuity (Funded)	
	2021-22	2020-21
In Income Statement		
Current Service Cost	11	17
Interest Cost	-	-
Net Cost	11	17
In Other Comprehensive Income		
Actuarial (Gain) / Loss	(4)	9
Return On Plan Assets	-	-
Net (Income)/ Expense For the year Recognized in OCI	7	8

MODEL ECONOMIC TOWNSHIP LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

V. Investment Details

Particulars	(Rs. in Lakhs)	
	Gratuity (Funded)	
	2021-22	2020-21
Insurance Fund	206	202

VI. Bifurcation of Net Liability/ (Asset)

Particulars	(Rs. in Lakhs)	
	As on 31 st March, 2022	As on 31 st March, 2021
Current Liability/ (Asset) (Short Term)	-	-
Non-Current Liability/ (Asset) (Long Term)	-	-

VII. Actuarial assumptions

Mortality Table (IALM)	Gratuity (Funded)	
	2021-22	2020-21
	2012-14	2012-14
	(Ultimate)	(Ultimate)
Discount Rate (per annum)	7.09%	6.95%
Rate of escalation in Salary (per annum)	6.00%	6.00%
Rate of Employee Turnover	2.00%	2.00%

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

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

VIII. The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2021-22

IX. Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, 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	(Rs. in Lakhs)			
	31 st March, 2022		31 st March, 2021	
	206		202	
Particulars	As at 31 st March, 2022		As at 31 st March, 2021	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+0.5%)	6	-5	6	-5
%age change compared to base due to sensitivity	2.8%	-2.6%	2.9%	-2.7%
Salary growth rate (-/+0.5%)	-5	6	-5	6
%age change compared to base due to sensitivity	-2.7%	2.8%	-2.7%	2.9%
Attrition rate (-/+ 25%)	0	0	0	0
%age change compared to base due to sensitivity	0.0%	0.0%	0.0%	0.0%
Mortality Rate (-/+ 10%)	0	0	0	0
%age change compared to base due to sensitivity	0.0%	0.0%	0.0%	0.0%

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.

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41 Taxation

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

Particulars	(Rs. in Lakhs)	
	Year ended	
	31 st March, 2022	31 st March, 2021
Profit / (Loss) before tax	4 993	5 722
Applicable tax rate	25.17%	25.17%
Computed tax expense	1,257	1 440
Tax effect of:		
Expenses disallowed / (allowed)	(74)	(776)
Carried Forward Losses Utilised	(1 120)	(664)
Current tax provision (A) *	63	-
Incremental deferred tax asset on account of tangible and intangible assets	283	3
Incremental deferred tax asset / (liability) on account of financial assets and other items	(293)	697
Deferred tax provision (B)	(11)	700
Tax expenses recognized in Statement of Profit and Loss (A+B)	52	700

* Since there is a Loss before tax, no provision of current tax has been made.

Unused tax losses and unabsorbed depreciation on which no deferred tax asset is recognised in Balance Sheet		
Particulars	(Rs. In lakhs)	
	As at	As at
	31st March, 2022	31st March, 2021
-Unused Tax losses	-	4 620
-Unabsorbed depreciation #	27	379
Total	27	4 999

Unused tax losses and brought forward depreciation on which no deferred tax asset is recognised in Balance Sheet

Particulars	As at 31 March 2022				As at 31 March 2021		
	Base Amount	Deferred tax	Valid upto A.Y.		Base Amount	Deferred tax	Valid upto A.Y.
Unused Tax losses (Business)							
AY 2020-21	-	-	-		1 454	366	2028-29
AY 2019-20	-	-	-		1 920	483	2027-28
AY 2018-19	-	-	-		553	139	2026-27
AY 2017-18	-	-	-		353	89	2025-26
AY 2016-17	-	-	-		127	32	2024-25
AY 2015-16	-	-	-		214	54	2023-24

Unabsorbed depreciation does not have any expiry period under the Income Tax Act, 1961.

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

	(Rs. in Lakhs)			
	As at 31st March, 2021	Charge/(Credit) to profit or loss/OCI	Others	As at 31st March, 2022
Deferred Tax (Liabilities) /Asset in relation to				
Property, plant and equipment	14	(283)	-	(269)
Financial assets at FVTPL	(1 702)	295	-	(1 407)
Financial assets at FVTOCI	21	(1)	-	20
Total	(1 667)	11	-	(1 656)

43. Ratio Analysis

Sr. No.	Particulars	2021- 22	2020-21
1	Current Ratio #	13.25	20.65
2	Debt-Equity Ratio @	0.07	0.66
3	Debt Service Coverage Ratio @	0.02	0.23
4	Return on Equity Ratio	27%	37%
5	Inventory Turnover Ratio	0.03	0.03
6	Trade Receivable Turnover Ratio^	3.61	15.73
7	Trade Payables Turnover Ratio	4.72	5.61
8	Net Capital Turnover Ratio	0.05	0.04
9	Net Profit Ratio	15%	19%
10	Return on Capital Employed (Excluding Working capital Financing)	1%	1%
11	Return on Investment	5%	6%

Current ratio decreased due to increase in current liabilities on account of advances received from customers.

@ Debt-Equity Ratio and Debt Service Coverage Ratio decreased due to repayments of borrowings during the year.

^ Trade Receivable Turnover Ratio is decreased due to increase in receivables on account of higher credit sales.

43.1 Formulae for computation of ratios are as follows:

Sr. No.	Particulars	Formula
1	Current Ratio #	$\frac{\text{Current assets}}{\text{Current Liabilities}}$
2	Debt-Equity Ratio @	$\frac{\text{Total Debts}}{\text{Total Equity}}$
3	Debt Service Coverage Ratio @	$\frac{\text{Earning Before Interest, Tax and Exceptional Items}}{\text{Interest expense + Principal Repayments made during the year for long}}$
4	Return on Equity Ratio	$\frac{\text{Profit After Tax (Attributable to Owners)}}{\text{Average Net worth}}$
5	Inventory Turnover Ratio	$\frac{\text{Cost of goods Sold}}{\text{Average Inventory of Finished Goods, Stock-in-Process and Stock in}}$
6	Trade Receivable Turnover Ratio^	$\frac{\text{Value of Sales and Services}}{\text{Average Trade Receivables}}$
7	Trade Payables Turnover Ratio	$\frac{\text{Cost of Material Consumed (after adjustment of RM Inventory) +}}{\text{Average Trade Payables}}$
8	Net Capital Turnover Ratio	$\frac{\text{Value of Sales \& Services}}{\text{Average Working Capital}}$
9	Net Profit Ratio	$\frac{\text{Profit After tax}}{\text{Value of Sales and Services}}$
10	Return on Capital Employed (Excluding Working capital Financing)	$\frac{\text{Net Profit After Tax + Deferred Tax Expense/(Income) + Finance Cost (-) Other Income}}{\text{Average Capital Employed **}}$
11	Return on Investment	$\frac{\text{Other Income (Excluding Dividend)}}{\text{Average Cash, Cash Equivalents \& Other Marketable Securities}}$

** Capital employed includes Equity, Borrowings, Deferred Tax Liabilities, Creditors for Capital Expenditure and reduced by Investment, Cash and Cash Equivalents, Capital Work-in-Progress and Intangible Assets under Developments.

MODEL ECONOMIC TOWNSHIP LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

44 Other Statutory Information

- (i) As per section 248 of the Companies Act, 2013, there are no balances outstanding with struck off Companies.
- (ii) The Company do not have any Capital-work-in progress or intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.
- (iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (v) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961

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

46 The company has evaluated impact of COVID -19 on its business operations and based on its review there is no significant impact on its financial statements.

47 The financial statements were approved for issue by Board of directors on 8th April, 2022.

For D T S & Associates LLP
 Chartered Accountants
 Reg. No. 142412W / W100595

Sd/-

Parimal Kumar Jha
 Partner
 Membership No.- 124262
 Place: Mumbai
 Date: 8 April 2022

For and on behalf of the Board

Sd/-

Shrivallabh Goyal
 (Director)
 DIN- 00021471

Sd/-

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

Sd/-

Shanker Adawal
 (Director)
 DIN- 01039400

Sd/-

Pankaj Kumar
 (Company Secretary)
 Membership No.- A66748

Place: Gurugram
 Date: 8 April 2022