

**ANNEXURE TO STANDALONE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
MODEL ECONOMIC TOWNSHIP LIMITED**

**Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date**

- (i) In respect of its fixed assets:  
The Company has no fixed assets
- (ii) In respect of its inventories:  
The Company has no inventory
- (iii) According to the information and explanations given to us, the Company has not granted any loan secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Therefore the provisions of Clause 3(iii) of said Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and inventory and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public and therefore the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provision of the Act and rules framed there under are not applicable for the year under audit.
- (vi) According to the information and explanations given to us, the Central Government has prescribed the maintenance of cost records under section 148(1) of the Act, in respect of construction and development activities carried out by the company as per the threshold limit. Since the company does not fall in the category of threshold limit, maintenance of cost records is not applicable to the Company.
- (vii) According to the information and explanations given to us, and the records of the Company examined by us:
- (a) The Company has been regular in depositing with appropriate authorities undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom Duty, Excise duty, Value added tax, Cess and any other material statutory dues as applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were outstanding, as at 31<sup>st</sup> March 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value added tax & Cess as applicable, which have not been deposited on account of any dispute.
- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



- (viii) The Company's accumulated losses at the end of the financial year are not more than fifty percent of its net worth. The Company has incurred cash loss during the year and in the immediately preceding financial year.
- (ix) According to the information and explanations given to us the Company has no dues to financial institutions, bank or debenture holders therefore question of default does not arise.
- (x) According to the information and explanations given by the management, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) According to the information & explanations given to us, the Company has not raised any term loan during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For V.P. Mehta & Co**  
**Chartered Accountants**  
(Firm Registration No. 106326W)



**Vipul P Mehta**  
(Proprietor)  
Membership No. 35722



Place: Mumbai,  
Dated: 8<sup>th</sup> May, 2015