

- (vi) The Company has not accepted any deposits from the public within the meaning of Rule 2(b) of the Companies (Acceptance of Deposits) Rules, 1975. Hence, the Directives issued by RBI or provisions of Section 58A and 58AA of the Companies Act, 1956 are not applicable.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) In terms of the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government U/s. 200(1) (b) of the Companies Act, 1956, the maintenance of cost records is not applicable to the company for the year under audit.

(ix)(a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues applicable including Income Tax, Service Tax, Cess and material other statutory dues applicable to it except delays in deposition of Taxes Deducted at Source.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding, as at 31st March, 2014 for a period of more than six months from the date they became payable.

The Company has not paid any Value Added Tax on Consumption / Monthly Contract Operation till end of the year under report. It is informed to us, the same was kept pending due to lack of clarity on applicability of the same. Further, the Government of Gujarat has come up with an amnesty scheme for first time return filers. The nature of our firm and above mentioned is other off-add dues without any penal consequences. However, the said scheme is not to be implemented. As mentioned to us by the management, the Company intends to avail the amnesty to clear off add dues and has also shown an estimated liability of Rs. 27 lacs towards VAT payable to the financial statements. However, the exact amount is yet to be ascertained. Accordingly these dues remain outstanding to be paid.

(b) According to the records of the company, there are no dues of Sales Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, Cess or other applicable statutory liabilities which have not been deposited in account of any dispute.

(x) The Company does not have any accumulated losses. The company has not incurred any cash losses during the financial year covered by our audit.

(xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions or banks. The Company has not issued any debentures.

(xii) As per information given to us, during the year under report, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, considering the nature of activities carried on by the Company during the year, the Company is not a Chit fund or a Nidhi / mutual benefit fund / society. Therefore, the provisions of Clause 4 (vii) of C.A.R.O are not applicable.

(xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures or other investments. Accordingly, the provisions of Clause 4 (A)(b) of C.A.R.O are not applicable.

(xv) A charge has been created on certain portion of one of the properties of the Company for loans of ₹ 36,75,00,000 taken by associate company from a financial institution. As per the information and explanations given to us, the terms and conditions for the same are not prejudicial to the interests of the company.



- (xvi) Term Loans raised during the year have been utilized for the purpose for which they were obtained.
- (xvii) On the basis of review of utilization of funds which is based on an overall examination of the balance sheet of the Company, related information as made available to us and as represented to us by the Management, we report that funds raised on short-term basis have not been used for long-term investment.
- (xviii) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) During the period covered by our audit report, the company has not issued any debentures.
- (xx) The Company has not raised any money through public issues during the year under report.
- (xxi) Based upon the audit procedures performed and 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, NARESH & Co.
CHARTERED ACCOUNTANTS
(F.R.N.- 106928W)


CA. HARIN PARIKH
PARTNER
M.R.N.-107606

31/03/2014

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT (Refered to in paragraph 1 in our report of even date)

- (i) (a) As informed to us by the management, the Company is in the process of updating its Fixed Assets Register showing full particulars including Quantitative Details and situation of the Fixed Assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.
- (c) In our opinion, Company has not disposed any of its fixed assets during the year under report.
- (ii) (a) The Inventories of Construction Materials have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The Company has not granted any loans, secured or unsecured, to Companies, Firms or Other Parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, no comments are necessary on Clause 4(ii)(a), (b), (c) & (d) of CARO.
- (b) The Company has taken unsecured loans from three parties covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 35,71,14,171/- and the year-end balance of the loans was ₹ 31,44,39,505/-.
- (c) In our opinion the rate of interest and other terms and conditions on which the loans were taken from the parties listed in the registers maintained under Section 301 were not, *prima facie*, prejudicial to the interest of the company.
- (d) The Company was regular in payment of interest, if payable or due. As informed to us there are no specific stipulations regarding repayment of the principal amount and hence, as such, there is no irregularity in the said loans.
- (iv) (a) 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 with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure in context major weaknesses in the internal controls.
- (b) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Act have been entered into the register required to be maintained under that section.
- (v) (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2003 ("the order") and Companies (Auditors Report) Order (Amendment), 2004 (hereinafter collectively referred to as CARO) issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraph 4 & 5 of the said Order.
2. As per the requirements under Section 227 (3) of the Act, we report that:
 - a) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our Audit;
 - b) In our opinion, proper books of accounts as required by the law have been kept by the Company, so far as appears from our examination of the said books;
 - c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts of the Company;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss annexed thereto and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular No.15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e) On the basis of written representations received from the directors, as on 31st March, 2014, and taken on record by the Board of Directors, we report that none of the directors is disqualified as section (1) of section 274 of the Companies Act, 1956.

FOR, NARESH & Co.
CHARTERED ACCOUNTANTS
(F.R.N. 106928W)


CA HARIN PARIKH
PARTNER
(M. R. N. 107606)



Place: Vadodra
Date: 5th September 2014

INDEPENDENT AUDITOR'S REPORT

To the Members

Report on the Financial Statements

We have audited the accompanying Financial Statements of MAYFAIR SPACES LIMITED ("the Company") which comprise the Balance sheet as at 31st March, 2014 and the Statement of Profit & Loss for the year ended on that date annexed thereto and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

