



MAZDA PROPERTIES LIMITED

24th Annual Report & Accounts 2010-2011

BOARD OF DIRECTORS

D.K. DEBOO

Chairman

F.E.D. MEHTA

Director

SHIRISH H. SHAH

Director

AUDITORS

P. V. DALAL & CO.

CHARTERED ACCOUNTANTS

1504/05, YOGI PARADISE-A,
YOGI NAGAR, NEW LINK ROAD,
BORIVLI (WEST),
MUMBAI- 400 091.

BANKERS

BANK OF INDIA

D.N. ROAD BRANCH, FORT,
MUMBAI – 400 001.

CENTRAL BANK OF INDIA

MUMBAI MAIN OFFICE,
M.G. ROAD, MUMBAI – 400 023.

UNION BANK OF INDIA

MUMBAI SAMACHAR MARG BRANCH,
MUMBAI – 400 023.

REGISTERED OFFICE

PARK VIEW,

LUNSI KUI,

NAVSARI - 396 445.

ADMINISTRATIVE OFFICE

ELPHINSTONE HOUSE,

2ND FLOOR,

17, MARZBAN ROAD,

FORT,

MUMBAI – 400 001.

PROJECTS

AHURA ASHISH COMPLEX,
BORDI.

NOTICE:

NOTICE is hereby given that the 24th Annual General Meeting of the Members of MAZDA PROPERTIES LIMITED will be held on Thursday, the 30th day of September, 2011 at 11.00 a.m. at 3, Sir J.J. Shopping Centre, Panch Hatdi, NAVSARI – 396 445 to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st March, 2011.
2. To appoint a director in place of Shri D.K. Deboo, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxy Form should be lodged with the company at the Registered Office at least 48 hours before the time of the meeting.
- b) The Register of Members and Share Transfer Books of the Company will remain closed on 29th & 30th day of September, 2011 (both day inclusive).
- c) Members are requested to quote ledger folio numbers in all correspondence with the Company.
- d) Members are requested to bring their copy of the Annual Report alongwith them to the meeting.
- e) Members are requested to intimate the company for change, if any, in their registered address.
- f) Shareholders desirous for any information at the Annual General Meeting, with regard to accounts are requested to write to the Company their queries 7 days before the date of the meeting so as to enable the Management to keep the information ready.

BY ORDER OF THE BOARD OF DIRECTORS

Place : Mumbai

DARA K. DEBOO

Date : September 3, 2011

CHAIRMAN

Registered Office:

Park View,

Lunsi Kui,

NAVSARI – 396 445.

(Gujarat State)

DIRECTORS' REPORT TO THE SHAREHOLDERS**TO THE MEMBERS OF MAZDA PROPERTIES LIMITED**

Your Director's hereby present their Twenty Fourth Annual Report and the Audited Statements of Accounts for the year ended March 31, 2011.

2. Financial Results

	For the year <u>Ended 31.03.11</u> (Rupees)	For the year <u>Ended 31.03.10</u> (Rupees)
Gross Loss before interest, depreciation and tax	(1,90,385)	(1,98,443)
Deducting therefrom:		
Interest	NIL	NIL
	-----	-----
Net Profit/(Loss) before tax	(1,90,385)	(1,98,443)
Deducting provision for taxation	NIL	NIL
	-----	-----
Net Profit/(Loss) after tax	(1,90,385)	(1,98,443)
Adding thereto:		
Balance in Profit and Loss Account brought forward	(94,66,975)	(92,68,532)
	-----	-----
	(96,57,360)	(94,66,975)
Transferred to General reserve	NIL	NIL
	-----	-----
Balance carried to Balance sheet	(96,57,360)	(94,66,975)
	=====	=====

3. Dividend

In view of the loss incurred during the year, the directors do not recommend the payment of dividend.

4. Projects

Ahura Ashish Complex at Bordi

The Company could not make any progress on this project due to dispute between the Company and the Vendor. The matter is pending in the Court. In this regard, your attention is drawn to Schedule 10 – Notes forming part of the Accounts – Sr. No.5.1 to 5.4. Your Directors are taking every possible necessary steps to protect the interest of the Company. Considering the facts and circumstances of the case, your Directors are confident of getting the appropriate orders and/or reliefs in the Company's favour from the Court.

5. Directorate

In accordance with the provision of the Companies Act, 1956 and the Company's Articles of Association, Mr. D.K. Deboo, retires by rotation and being eligible, offers himself for reappointment.

6. Administrative Office Premises

The company has filed R.A.D. Suit in the Court of Small Causes at Mumbai against Vitta Mazda Ltd. and Trustees of the Elphinstone Cricket Club and Official Liquidator of Vitta Mazda Ltd. - In Liquidation (joined as party defendant as per the judgement and order dtd. 30-07-2004 of the Hon'ble High Court of Gujarat for a declaration that the company is in quiet and peaceful use, occupation and enjoyment of part of the premises viz. 203, Elphinstone House, 2nd Floor, 17, Marzban Road, Mumbai – 400 001. The company has obtained a permanent injunction order in the said suit whereby the Defendants are restrained from dispossessing the company from the said premises till disposal of suit is still valid and holds good.

7. Director's Responsibility Statement

As stipulated under Section 217(2AA) of the Companies Act, 1956 your Directors' confirm as under:-

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanations relating to material departures.
- ii. 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 on 31st March, 2011 and of the loss of the Company for the year ended 31st March, 2011.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the Annual Accounts on a going concern basis.

8. Compliance Certificate

Pursuant to the requirement of proviso to Section 383A(1) of Companies Act, 1956 a Compliance Certificate obtained from practicing Company Secretary is enclosed.

9. Listing Agreements Requirements

The securities of your company are listed at Bombay Stock Exchange, Mumbai. Trading in company's securities remain suspended at Stock Exchanges for various reasons including non-submission of documents and all possible steps are being taken by the management to get shares traded at the floor of the Exchange.

10. Auditors' Report

The observations made by the Auditors in Clause (g) of Para 2 of their report are self-contained and self-explanatory and also have been properly dealt in the Notes to Accounts and therefore do not call for any further explanation under Section 217(3) of the Companies Act, 1956.

11. Auditors

You are requested to appoint the auditors for the current year and fix their remuneration. M/s. P.V. Dalal & Co., Chartered Accountants, Auditors of the Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment. They have given a certificate to the effect that their appointment, if made, will be within the prescribed limits specified in Section 224(1-B) of the Companies Act, 1956.

12. Conservation of Energy, Technology absorption, foreign earnings and outgo

The Company is not engaged in manufacturing activities during the period under review. Therefore, there is no information to submit in respect of conservation of energy and absorption of technology.

The Company has no foreign exchange earning and outgoings during the period under review.

13. Particulars of employees

During the year, the Company had no employee drawing remuneration exceeding the limit prescribed under Section 217(2A) of the Companies Act, 1956.

14. Information Pursuant to Part II of Schedule VI of Companies Act, 1956

The required information in respect of the value of Imports on CIF basis, Earnings in Foreign Exchange, Expenditure in Foreign Currency are not annexed to notes Forming part of Accounts, as there are no imports and Foreign Exchange earnings and outgo during the year under view.

15. Acknowledgement

Your Directors wish to place on record their appreciation of the wholehearted co-operation received by the Company from their bankers, during the year under review.

16. General

The notes forming part of the Accounts are self-explanatory or to the extent, necessary have been dealt with in the preceding paragraphs of this report.

For and On Behalf of the Board of
Directors

F.E.D. MEHTA
DIRECTOR

S.H. SHAH
DIRECTOR

Place : Mumbai

Date : 3rd September, 2011

Registered Office:

Park View
Lunsi Kui
NAVSARI - 396 445
(Gujarat State)

AUDITORS' REPORT

To,
The Members of
MAZDA PROPERTIES LIMITED

We have audited the attached Balance Sheet of **MAZDA PROPERTIES LIMITED**, as at 31st March, 2011 and also the annexed Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above, 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 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 and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - d) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - e) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement have been prepared in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, to the extent applicable;

f) On the basis of written representations from the Directors and taken on record by the Board of Directors, we report that all the Directors are disqualified as on 31st March, 2011 from being appointed as Directors in terms of Section 274(1)(g) of the Companies Act,1956;

g) Attention is invited to Note No.2 in Schedule 10, which was also the subject matter of Auditors' Report similarly modified in the previous year:

Note No.2 regarding non provision for interest payable to a party Rs.12,13,202/- for the reasons stated therein;

We further report that had above observation made by us in item been considered, the project expenses (Schedule 6) as at the year end would have been Rs.86,62,559/- as against the reported figure of Rs.74,49,357/- (Previous year Rs.83,23,442/- as against the reported figure of Rs.71,54,357/-) and Sundry Creditors (under Schedule 8) would have been Rs.20,42,698/- as against the reported figure of Rs.8,29,496/- (Previous year Rs.23,82,331/- as against the reported figure of Rs.12,13,246/-)

h) Subject to what is stated in f) and g) above, in our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:

a) in the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2011;

b) in the case of the Profit & Loss Account, of the Loss for the year ended on that date;

c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For P.V. DALAL & CO.
(Chartered Accountants)
Firm Regn. No.102049W

Place : Mumbai
Date : September 3, 2011

(PARESH V. DALAL)
Proprietor
Membership No.33355

(ANNEXURE TO THE AUDITORS' REPORT)

(Referred to in paragraph 1 of Auditors' Report of even date to the members of **MAZDA PROPERTIES LIMITED**, on the financial statements for the year ended 31st March, 2011)

- i) The Company does not own any fixed assets. Therefore, requirements of clauses 4 (i) (a) to 4 (i)(c) of the Order are not applicable.
- ii) The Company is engaged in the business of real estate. It does not hold any physical inventories. Therefore, requirements of clauses 4 (ii) (a) to 4 (ii)(c) of the Order are not applicable.
- iii) 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. Therefore, requirements of clause 4 (iii) (b) to (iii) (d) of the Order are not applicable.
The Company has taken an interest free loan from one company covered in the register maintained under Section 301 register in the earlier years. The maximum amount outstanding during the year and the balance at the year end was Rs.25,000/-. In our opinion, the terms and conditions of the said loan are not prima facie prejudicial to the interest of 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 with regard to purchase of fixed assets and Company's real estate business. Further, on the basis of our examination of the books on records of the Company, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal control system.
- v) In our opinion and according to the information and explanations provided by the management, we report that the Company has not entered into any such contracts and arrangements during the year which needs to be entered into the register maintained under Section 301 of the Companies Act, 1956.
- vi) The Company has not accepted any deposits from the public within the meaning of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956, where applicable and the Rules framed thereunder. We are informed that no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vii) The Company is yet to set up an Internal Audit System.
- viii) As informed to us, the maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956, in respect of activities carried on by the Company.

- ix) a) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service-tax, Customs Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities, where applicable.
- b) According to the records of the Company and information and explanations given to us, dues of Income Tax which have not been deposited on account of disputes and forum where dispute is pending are as under:

Name of Statute	Nature of dues	Amount (in Rs.)	Period to which the amount relates	Forum where pending
Income Tax Act, 1961	Income Tax	50,960/-	1990-91	JCIT (Asstt.) Spl. Range - 2, Surat (Previously with ACIT, Central Circle – 30, Central Range - V, Bombay)
Income Tax Act, 1961	Income Tax	79,034/-	1992-93	JCIT (Asstt.) Spl. Range - 2, Surat
Income Tax Act, 1961	Income Tax	58,705/-	1993-94	JCIT (Asstt.) Spl. Range - 2, Surat
Income Tax Act, 1961	Income Tax	58,705/-	1994-95	JCIT (Asstt.) Spl. Range - 2, Surat

- x) The accumulated losses of the Company are more than fifty percent of its net worth at the end of its financial year. The Company has not incurred cash loss during the year. In the immediately preceding financial year the Company had not incurred cash loss.
- xi) The Company has not borrowed any money from any financial institution or bank or debenture holders. Therefore, requirements of clause 4 (xi) of the Order are not applicable.
- xii) 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) The Company is not a chit fund, nidhi, mutual benefit fund or society. Therefore, requirements of clauses 4 (xiii) (a) to (xiii) (d) of the Order are not applicable.
- xiv) The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, requirements of clause 4 (xiv) of the Order are not applicable.

- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) The Company has not taken any term loan during the year.
- xvii) According to the information and explanations given to us and on overall examination of the Balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956. Therefore, requirements of clause 4 (xviii) of the Order are not applicable.
- xix) The Company has not raised any funds by way of issue of debentures during the year. Therefore, requirements of clause 4 (xix) of the Order are not applicable.
- xx) The Company has not raised any money through a public issue during the year. Therefore, requirement of clause 4 (xx) of the Order are not applicable.
- xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For P.V. DALAL & CO.
(Chartered Accountants)
Firm Regn. No.102049W

Place : Mumbai
Date : September 3, 2011

(PARESH V. DALAL)
Proprietor
Membership No.33355

BALANCE SHEET AS AT MARCH 31, 2011

		As at 31.03.2011 Current Year Rupees	As at 31.03.2010 Previous Year Rupees
	Schedule	Rupees	
I	<u>SOURCES OF FUNDS</u>		
1.	<u>Shareholders Funds</u>		
	Share Capital	10,000,000	10,000,000
	Reserves & Surplus	500	500
		<u>10,000,500</u>	<u>10,000,500</u>
2.	<u>Loan Funds</u>		
	Unsecured Loans	25,000	25,000
		<u>25,000</u>	<u>25,000</u>
	TOTAL	<u><u>10,025,500</u></u>	<u><u>10,025,500</u></u>
II	<u>APPLICATION OF FUNDS</u>		
3.	Investments	4	1
4.	<u>Current Assets, Loans & Advances</u>		
	Project Expenses	7,395,699	7,154,357
	Cash & Bank Balances	68,080	67,215
	Loans & Advances	258,856	220,198
		<u>7,722,635</u>	<u>7,441,770</u>
	<u>Less: Current Liabilities & Provisions</u>	8	
	Provisions	7,304,496	6,833,246
		<u>N I L</u>	<u>N I L</u>
		<u>7,304,496</u>	<u>6,833,246</u>
	Net Current Assets	418,139	608,524
5.	<u>Profit & Loss Account</u>		
	Profit & Loss Account	9,657,360	9,466,975
	<u>Less: General Reserve as per contra</u>	<u>50,000</u>	<u>50,000</u>
		<u>9,607,360</u>	<u>9,416,975</u>
	TOTAL	<u><u>10,025,500</u></u>	<u><u>10,025,500</u></u>
	Notes To Accounts	10	

As per our attached report of even date

For P. V. DALAL & CO.
(CHARTERED ACCOUNTANTS)
(Firm Regd. No.102049W)

For MAZDA PROPERTIES LIMITED

(PARESH V. DALAL)
PROPRIETOR
Membership No.33355

F.E.D. MEHTA - Director

S.H. SHAH - Director

Place : Mumbai
Date : September 3, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule	For the	For the
		year ended 31.03.2011 Current Year Rupees	year ended 31.03.2010 Previous Year Rupees
I			
<u>INCOME</u>			
Interest		121	140
TOTAL		<u>121</u>	<u>140</u>
II			
<u>EXPENSES</u>			
Operating Expenses	9	190,506	198,583
TOTAL		<u>190,506</u>	<u>198,583</u>
III			
Net Profit/(Loss) before tax		(190,385)	(198,443)
Less:- Provision for Income-tax		N I L	N I L
Net Profit/(Loss) after tax		(190,385)	(198,443)
IV			
<u>Add:-</u> Brought forward Loss from previous year		(9,466,975)	(9,268,532)
		<u>(9,657,360)</u>	<u>(9,466,975)</u>
<u>APPROPRIATIONS</u>			
Transferred to General Reserve		N I L	N I L
V			
Balance Transferred to Balance Sheet		<u>(9,657,360)</u>	<u>(9,466,975)</u>
		<u>(9,657,360)</u>	<u>(9,466,975)</u>
Notes To Accounts	10		

As per our attached report of even date

For P. V. DALAL & CO.
(CHARTERED ACCOUNTANTS)
(Firm Regd. No.102049W)

For MAZDA PROPERTIES LIMITED

(PARESH V. DALAL)
PROPRIETOR
Membership No.33355

F.E.D. MEHTA - Director

Place : Mumbai
Date : September 3, 2011

S.H. SHAH - Director

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.03.2011 Current Year Rupees	As at 31.03.2010 Previous Year Rupees
<u>SCHEDULE 1</u>		
<u>SHARE CAPITAL</u>		
<u>Authorised:-</u>		
1,00,00,000 (Previous year 1,00,00,000) Equity shares of Rs. 10/- each	100,000,000	100,000,000
<u>Issued, subscribed and paid-up:-</u>		
10,00,000 (Previous year 10,00,000) Equity Shares of Rs. 10/- each	10,000,000	10,000,000
<u>SCHEDULE 2</u>		
<u>RESERVES & SURPLUS</u>		
<u>Capital Reserve:-</u>		
Forfeited Shares as per last Balance Sheet	500	500
	500	500
<u>SCHEDULE 3</u>		
<u>UNSECURED LOANS</u>		
Loans from Others	25,000	25,000
	25,000	25,000
<u>SCHEDULE 4</u>		
<u>INVESTMENTS (AT COST-LONG TERM)</u>		
<u>Quoted :-</u>		
1. Vitta Mazda Limited (2,00,000 equity shares of Rs. 10/- each fully paid.)	1	1
	1	1

SCHEDULES FORMING PART OF THE BALANCE SHEET

	AS AT 31.03.2011 Current Year Rupees	AS AT 31.03.2010 Previous Year Rupees
<u>SCHEDULE 5</u>		
<u>PROJECT EXPENSES</u>		
Land at Bordi	7,395,699	7,154,357
	<u>7,395,699</u>	<u>7,154,357</u>

SCHEDULE 6**CASH & BANK BALANCES**

Cash in Hand	3,914	3,539
Bank Balances		
With Scheduled Banks :		
In Current Accounts	62,466	61,976
In Fixed Deposits	1,700	1,700
	<u>68,080</u>	<u>67,215</u>

SCHEDULE 7**LOANS AND ADVANCES**

(Unsecured, Considered Good)

Income Tax Deducted at Source	190,198	190,198
Advances recoverable in cash or in - kind or value to be received	450,000	450,000
Less:- Provision for Doubtful Debts	<u>450,000</u>	<u>450,000</u>
	NIL	NIL
Other Advances	68,658	30,000
	<u>258,856</u>	<u>220,198</u>

SCHEDULE 8**CURRENT LIABILITIES & PROVISIONS****CURRENT LIABILITIES**

Sundry Creditors	829,496	1,213,246
Deposits for Flats and Bungalows	6,475,000	5,620,000
	<u>7,304,496</u>	<u>6,833,246</u>

PROVISIONS

For Taxation	NIL	NIL
	<u>7,304,496</u>	<u>6,833,246</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

For the year ended 31.03.2011 Current Year Rupees	For the year ended 31.03.2010 Previous Year Rupees
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SCHEDULE 9**OPERATING EXPENSES**

Accounts Writing Charges	6,000	6,000
Advertisement & Publicity	19,600	17,200
Bank Charges & Commission	251	498
Filing Fees	8,625	N I L
Interest	750	1,100
Listing Fees	11,030	11,030
Legal Charges	N I L	20,000
Premises Compensation	114,000	114,000
Professional Fees	6,000	3,500
Professional Tax	2,500	2,500
Printing & Stationery	14,250	15,255
Auditors Remuneration :		
For Audit Fees	7,500	7,500
	190,506	198,583

SCHEDULES FORMING PART OF THE BALANCE SHEET**SCHEDULE 10****NOTES FORMING PART OF THE ACCOUNTS****1. ACCOUNTING POLICIES**a. Recognition of Income and Expenses :

The income and expenses are accounted on accrual basis. This is in conformity with the provisions of Section 209 (3) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 1988.

b. Method of Depreciation :

The depreciation has been computed and provided on straight line basis according to Section 205 (2) (b) of the Companies Act, 1956, at the rates prescribed by Schedule XIV of the said Act, on a pro-rata basis taking into consideration the month of addition/deduction.

d. Accounting of the Profit for the Projects :

Revenue is recognised only when " Letter of Possession" is issued to the purchaser of flat, shop, bungalow, row house, plot etc.

2. No provision is made for interest payable to a party Rs.12,13,202/-(Previous year Rs.11,69,085/-) as the company is having negotiations with the party for settlement of dues.

3. The project expenses are towards cost, acquisition and development of lands at Bordi.

4. Provision for taxation has not been made in the absence of taxable income.

5. With regard to the Bordi property of the Company, dispute has arisen between the Company and the Vendor. The matter is pending in the Court. As per the legal advice, the company is confident that out come of the said suit will be in favour of the company and the company will be able to recover its expenses on the project.

5.1 The Company had filed two suits viz. Special Civil Suit No.75/97 & 76/97 at Palghar Court against the respective Vendor and Confirming Parties for specific performance of the agreements entered into with them for purchase of lands at Village Bordi, Taluka Dahanu. Spl. C.S. No.75/97 was for purchase of 4 Acres and 35.9 Gunthas of agricultural land and 1 Guntha of N.A. land. Spl. C.S. No.76/1997 was for purchase of 3 Acres and 34.5 Gunthas of agricultural land and 22.2 Gunthas of N.A. land. Both the suits have been partly decreed in favour of the company and Specific Performance of the agreements have been granted.

5.2 Gist of both the judgements are as under:

a) Spl. C. S. No.75/97:-

The Vendor has been directed to execute the sale deed in respect of 1 Hector 22.9 Are land (part of the suit property) described in the reconveyance dtd.16-06-1999 after obtaining N.A. permission on or before 30-04-2010 and hand over possession of the said lands to the company.

In case of refusal of N.A. permission by the competent authority and impossibility of the performance of the contract, the Vendor shall repay the amount of Rs.20,10,000/- to the company along with interest @ 10% p.a. from the dates of respective payments as mentioned in the plaint till realisation of this amount.

Charge of the said amount be kept on the property i.e. 1 Hector 22.9 Are land described hereinabove.

The Vendor has been directed to pay the proportionate costs of the suit to the company.

SCHEDULES FORMING PART OF THE BALANCE SHEET**SCHEDULE 10****NOTES FORMING PART OF THE ACCOUNTS (CONTD.)**b) Spl. C. S. No.76/97:-

The Vendor has been directed to execute the sale deed in respect of entire property after obtaining N.A. permission on or before 30-04-2010 by accepting the remaining consideration amount of Rs. 3,05,000/- from the Company and hand over possession of entire land to the company.

The company has been ordered to deposit the said amount of Rs.3,05,000/- in the court on or before 30-04-2010.

In case of refusal of N.A. permission by the competent authority and impossibility of the performance of the contract, the Vendor shall repay the amount of Rs.14,70,000/- to the company along with interest @ 10% p.a. from the dates of respective payments as mentioned in the plaint till realisation of this amount.

Charge of the said amount be kept on the suit property.

The Vendor has been directed to pay the proportionate costs of the suit to the company.

5.3 The said judgements were pronounced in an open court on 04-03-2010. The company has deposited Rs.3,05,000/- in court as directed in Spl. C.S. No.76/97. As legally advised, the company has preferred an appeal against the judgement in Spl. C.No. 75/97 in the High Court of Bombay for refusal of specific performance in respect of 1 Acre and 34 Gunthas of land in August, 2010. The said appeal is pending for admission before the court. The Vendor has not obeyed and complied the terms & conditions of the decree dtd.04-03-2010 in both the suits and as legally advised, the company has filed execution proceedings in both the suits at the Palghar Court.

5.4 In case of refusal of N.A. permission by the competent authority and impossibility of the performance of the contract, the Vendor will be liable to pay to the company as per the order of the court as on 31-03-2011 Rs.64,86,037/- in Spl. C. S. No.75/97 and Rs.44,37,261/- in Spl. C. S. No.76/97.

6. **Deferred tax**

In terms of Accounting Standard (As 22) on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, there is a net deferred tax assets for the past years as well as for the current period after adjusting carry forward losses of the past years. In compliance with the provisions of the Accounting Standard and based on General Prudence, the Company has not recognised the said deferred tax assets Rs.58,829/- while preparing the accounts for the period under audit. (Previous year Rs.61,316/-)

7. **Segment Information**

i) Business Segment -

The business segment have been identified on the basis of the activity of the company. Accordingly, the Company has identified "Real Estate Segment" as the operating segment.

Real Estate:-

To deal in Real Estate as builders, developers, contractors, etc.

As the Company has only one segment, details regarding segmentation are not applicable pursuant to Accounting Standard 17 issued by the Institute of Chartered Accountants of India.

ii) Geographical Segment -

There is no geographical segment since the Company operates in India only.

SCHEDULES FORMING PART OF THE BALANCE SHEET**SCHEDULE 10****NOTES FORMING PART OF THE ACCOUNTS (CONTD.)****8. Earning Per Share (EPS) :**

In terms of Accounting Standard - 20 "Earning Per Share" issued by The Institute of Chartered Accountants of India, the calculation of EPS is given below:

	<u>2010-11</u>	<u>2009-10</u>
Profit/(Loss) available to Equity Shareholder	(190,385)	(198,443)
Weighted Average Number of Shares	1,000,000	1,000,000
Nominal Value per Share (Rs.)	10	10
Basic and Diluted EPS (Rs.)	(0.19)	(0.20)

9. Related Party Disclosures :

In terms of Accounting Standard - 18 "Related Party Disclosures" issued by The Institute of Chartered Accountants of India, are given below:

A. List of Related Parties**Relationship****Key Management personnel**

Shirish H. Shah	Director
F.E.D. Mehta	Director
Dara K. Deboo	Director

Other Parties

Farokh S. Todywalla	Substantial Interest
Yasmin F. Todywalla	Relative of a party having substantial interest

B. Transaction with Related Parties

	Key Management Personnel		Other Parties	
	<u>2010-11</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2009-10</u>
Reimbursement of Expenses to Shirish H. Shah	-	19,250.00	-	-

C. Balance with Related Parties**Current Liabilities:-**

i) Deposit - Bordi Flat - Farokh S. Todywalla	-	-	5,405,000	4,550,000
ii) Deposit - Bordi Bungalow - Yasmin F. Todywalla	-	-	300,000	300,000
iii) Sundry Creditors for Expenses - Farokh S. Todywalla	-	-	10,246	10,246

10. The Previous year's figures have been regrouped, wherever necessary, to confirm to this year's classification.

SCHEDULES FORMING PART OF THE BALANCE SHEET**SCHEDULE 10****NOTES FORMING PART OF THE ACCOUNTS (CONTD.)****STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT,1956****11. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I Registration Details**

Registration No.	:	9088
State Code	:	04
Balance Sheet Date	:	31-03-2011

II Capital Raised during the year

Public Issue	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL

III Position of Mobilisation and Development of FundsRupees

Total Liabilities	10,025,500
Total Assets	10,025,500

Sources of Funds	<u>Rupees</u>	Application of Fund	<u>Rupees</u>
Paid- Up Capital	10,000,000	Net Fixed Assets	N I L
Reserves & Surplus	500	Investments	1
Secured Loans	N I L	Net Current Assets	418,139
Unsecured Loans	25,000	Misc. Expenditure	N I L
		Accumulated Losses	9,607,360

IV Performance of Company

Turnover (Gross Income)	121	Loss After Tax	(190,385)
Total Expenditure	190,506	Earning Per Share	(0.19)
Loss Before Tax	(190,385)	Dividend Rate%	N I L

SCHEDULES FORMING PART OF THE BALANCE SHEET**SCHEDULE 10****NOTES FORMING PART OF THE ACCOUNTS (CONTD.)**

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT , 1956

11. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE (CONTD.)V. Generic Name of Three Principal Products/Service of the Company
(as per monetary terms)Item Code No. N.A.
(ITC Code)

Product Description Real Estate

Signatories to Schedules 1 to 10

As per our attached report of even date

For P. V. DALAL & CO.
(CHARTERED ACCOUNTANTS)
(Firm Regd. No.102049W)**For MAZDA PROPERTIES LIMITED**(PARESH V. DALAL)
PROPRIETOR
Membership No.33355

F.E.D. MEHTA - Director

Place : Mumbai
Date : September 3, 2011

S.H. SHAH - Director

CASH FLOW STATEMENT		<u>2010-2011</u>	<u>2009-2010</u>
		<u>(Rupees)</u>	<u>(Rupees)</u>
A CASH FLOW FROM OPERATING ACTIVITIES			
Net Loss Before Tax		(190,385)	(198,443)
<u>Adjustment for:-</u>			
Interest Income		(121)	(140)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		<u>(190,506)</u>	<u>(198,583)</u>
<u>Adjustment for:-</u>			
Increase in Project Expenses - Bordi		(241,342)	(704,250)
Increase/Decrease in Loans & Advances		(38,658)	30,000
Increase/Decrease in Deposit for Flats & Bungalows		855,000	220,000
Increase/Decrease in Liabilities		(383,750)	701,416
CASH FROM OPERATIONS		<u>744</u>	<u>48,583</u>
Taxes paid		-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	I	<u>744</u>	<u>48,583</u>
B CASH FLOW FROM INVESTING ACTIVITIES			
Interest Income		121	140
NET CASH FLOW FROM INVESTING ACTIVITIES	II	<u>121</u>	<u>140</u>
C CASH FLOW FROM FINANCING ACTIVITIES			
	III	<u>N I L</u>	<u>N I L</u>
NET INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENTS	(I + II + III)	865	48,723
<u>Add:- CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</u>		<u>65,515</u>	<u>16,792</u>
CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR		<u>66,380</u>	<u>65,515</u>

For MAZDA PROPERTIES LIMITED

Place : Mumbai
Date : 03-09-2011

F.E.D. MEHTA - Director S.H. SHAH - Director

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of Mazda Properties Limited for the year ended 31st March, 2011. The statement has been prepared by the Company in accordance with the requirements of clause 32 of the Listing Agreement with the Stock Exchanges and is based on and in agreement with correspondence Profit & Loss Account and Balance Sheet of the Company covered by our report of 03-09-2011 to the members of the Company.

In terms of our Certificate of even date

For P. V. DALAL & CO.
(CHARTERED ACCOUNTANTS)
(Firm Regd. No.102049W)

(PARESH V. DALAL)
PROPRIETOR
Membership No.33355

Place : Mumbai
Date : 03-09-2011

MAZDA PROPERTIES LIMITED

Registered Office:
Park View, Lunsui Kui,
Navsari - 396 445.

PROXY FORM

I/We _____ of _____ being a member/members of the abovenamed Company hereby appoint _____ of _____ or failing him _____ of _____

_____ as my/our proxy to attend and vote for me/us on my/our behalf at the **Twenty Fourth Annual General Meeting of Mazda Properties Limited** to be held on **Friday**, the **30th** day of **September, 2011** at **11.00 a.m.** at 3, Sir J.J. Shopping Centre, Panch Hatdi, NAVSARI – 396 445 and at any adjournment thereof.

Signed this ___ day of _____, 2011

Folio No.: _____

Signature _____
(On requisite Revenue Stamp)

NOTE: The proxy form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for the holding the aforesaid meeting.

MAZDA PROPERTIES LIMITED

Registered Office:
Park View, Lunsui Kui,
Navsari - 396 445.

ATTENDANCE SLIP

I hereby record my presence at the **Twenty Fourth Annual General Meeting** of the Company at 3, Sir J.J. Shopping Centre, Panch Hatdi, Navsari – 396 445 on **Friday** , the **30th** day of **September, 2011** at **11.00 a.m.**

Folio No.: _____

Member's/Proxy's Name: _____
(in block letters)

Member's/Proxy's Signature: _____

- NOTES:**
- 1) Members/Proxy holders are requested to bring the Attendance Slip with them when they come to attend the meeting and hand it over at the entrance after signing it.
 - 2) Please bring alongwith you your copy of the Annual Report when you attend the meeting.