



**22nd ANNUAL REPORT  
2011 - 2012**



## MAZDA LIMITED

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### BOARD OF DIRECTORS :

NANALAL C. MEHTA (Chairman)  
SORAB R. MODY (Managing Director)  
SAMUEL W. CROLL - III  
DADY K. CONTRACTOR  
MOHIB N. KHERICHA  
SHEILA S. MODY  
HOUTOXI F. CONTRACTOR  
HARBHAJANSINGH B. KHALSA  
PERCY X. AVARI (Whole-Time Director)  
SHANAYA MODY KHATUA (Whole-Time Director)

### FINANCIAL CONTROLLER :

CYRUS J. BHAGWAGAR

### COMPANY SECRETARY :

NISHITH C. KAYASTH

### REGISTERED OFFICE :

C/1-39/13/16 G.I.D.C., Naroda,  
Ahmedabad-382 330.

### BANKERS :

State Bank of India  
Overseas Branch,  
3<sup>rd</sup> floor, Amrit Jayanti Bhavan, Navjivan P.O.,  
B/h Gujarat Vidhyapith, Ahmedabad-380 014.

### AUDITORS :

Apaji Amin & Co., Chartered Accountants  
304, Akansha Building, Near Mount Carmel School,  
Navrangpura, Ahmedabad-380 009.

### SHARES LISTED AT :

**Ahmedabad Stock Exchange Limited**  
Kamdhenu Complex,  
Opp. Sahajanand Complex,  
Panjarapole, Ambawadi,  
Ahmedabad-380 015.  
(Company Code - 36100)

**Bombay Stock Exchange Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai-400 001.  
(Company Code - 523792)

### REGISTRAR & SHARE TRANSFER AGENT :

Sharepro Services (India) Pvt. Ltd.  
13-AB, Samhita Warehousing Complex,  
Sakinaka Tel. Exch. Lane, Andheri Kurla Road,  
Sakinaka, Mumbai-400 072.



## NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of members of Mazda Limited will be held at the Registered Office of the Company at C/1-39/13/16 GIDC, Naroda, Ahmedabad-382 330, on **Tuesday, 25<sup>th</sup> September, 2012 at 09.30 a.m.** to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2012 and the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend for the year ended on 31<sup>st</sup> March, 2012.
3. To appoint a Director in place of Mr. Harbhajansingh B. Khalsa, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mrs. Sheila S. Mody, who retires by rotation and being eligible offers herself for re-appointment.
5. To appoint a Director in place of Mrs. Houtoxi F. Contractor, who retires by rotation and being eligible offers herself for re-appointment.
6. 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.

Registered Office:  
C/1-39/13/16 GIDC,  
Naroda, Ahmedabad – 382 330

By Order of the Board,

Date : 04/08/2012

**Nishith Kayasth**  
Company Secretary



**NOTES:**

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES DULY COMPLETED, IN ORDER TO BE EFFECTIVE, MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (2) The Register of Members and the Share Transfer Books of the company will remain closed from 14<sup>th</sup> September, 2012 to 21<sup>st</sup> September, 2012 (both days inclusive) to determine entitlement of dividend on equity shares. Dividend will be paid to those shareholders, whose name appears on the Register of Members of the company as at the end of business hours on 13<sup>th</sup> September, 2012. The dividend will be paid within the specified time limit, after approval by members at the Annual General Meeting.
- (3) The dividend warrants pertaining to earlier years issued by the company are not yet encashed by some of the members. Hence, those members who have not encashed the dividend warrants may please get the same revalidated by the company and encash them at the earliest to avoid inconvenience at a later date.
- (4) Members are requested to bring the copy of their Annual Report and duly filled Attendance Slip at the Annual General Meeting.
- (5) Members holding shares in physical form are requested to notify immediately the change, if any, in their registered address. The members holding shares in demat mode may contact their Depository Participant for change in their registered address.
- (6) The equity shares of the company are available for dematerialisation, as the Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Those shareholders who wish to hold shares in electronic form may approach their Depository Participant. The ISIN No. of the Equity Shares is INE885E01034.
- (7) A brief resume of directors who are being re-appointed have been included in the Corporate Governance Report.

Registered Office:  
C/1-39/13/16 GIDC,  
Naroda, Ahmedabad – 382 330

By Order of the Board,

Date : 04/08/2012

**Nishith Kayasth**  
**Company Secretary**



## DIRECTORS' REPORT

To,  
THE MEMBERS,  
MAZDA LIMITED

Your Directors have pleasure in presenting the Twenty Second Annual Report on the business and operations of the company together with the Audited Accounts for the year ended March 31, 2012.

### 1. FINANCIAL RESULTS

(₹ in Lacs)

Sr. No.	Particulars	2011-12	2010-11
i.	<b>Total revenue</b>	<b>10471.54</b>	<b>8521.51</b>
ii.	Less: Total expenditure	8813.91	7258.19
iii.	<b>Profit before depreciation, finance cost &amp; tax</b>	<b>1657.63</b>	<b>1263.32</b>
iv.	Less: Finance cost	113.28	45.45
v.	Less: Tax Expenses	429.71	299.72
vi.	<b>Cash Profit</b>	<b>1114.64</b>	<b>918.15</b>
vii.	Less: Depreciation	102.24	99.06
viii.	Less: Prior period items	13.63	2.57
ix.	Add: Valve division net profit	---	1073.49
x.	<b>Profit for the year</b>	<b>998.77</b>	<b>1890.01</b>
xi.	<b>Balance of Profit brought forward</b>	<b>4495.33</b>	<b>3153.46</b>
xii.	<b>Total Profit available for appropriation</b>	<b>5494.10</b>	<b>5043.47</b>
xiii.	Transfer to general reserve	100.00	200.00
xiv.	Interim Dividend paid	---	149.03
xv.	Proposed Dividend	170.32	149.03
xvi.	Dividend Tax	27.63	50.08
xvii.	<b>Profit carried to Balance Sheet</b>	<b>5196.15</b>	<b>4495.33</b>

### 2. DIVIDEND

The Board of Directors have recommended a final dividend of 40% to its equity shareholders i.e. ₹ 4/- per equity share of ₹ 10/- each (previous year ₹ 3.50/- per equity share of ₹ 10/- each). The payment of final dividend is subject to the approval of the Shareholders at the ensuing Annual General Meeting.

### 3. TRANSFER TO GENERAL RESERVE

Your directors propose to transfer the amount of ₹ 100.00 Lacs (previous year ₹ 200.00 Lacs) to the General Reserve, having regard to the requirements of Section 205 (2A) of the Companies Act, 1956 and with reference to the Companies (Transfer of profits to Reserve) Rules, 1975.

### 4. OPERATIONS

For the year under review, the turnover of the Company was ₹ 103.08 Crores against ₹ 84.41 Crores for the previous year showing an increase by 22%. During the year under review, the Company has achieved a milestone by crossing ₹ 100 Crores mark in terms of turnover. The Profit before Tax for the year is ₹ 14.42 Crores as against ₹ 11.19 Crores for the previous year showing an increase by 28.89%. In spite of bad economic condition in India and overall global economy in bad shape, your company has achieved an increased turnover and profits compared to the previous year.

## 5. FINANCE AND ACCOUNTS

During the year under review, your company has regularly paid the principal and interest to the term lender and there has been no default towards them. The company is at present using financial assistance in the form of working capital facilities from State Bank of India, Ahmedabad. Your company has overall banking limits of ₹ 18.38 Crores to capture its fund requirements. At present, the company is not utilizing any of the funded limits except non-fund based limits related to bank guarantees and letter of credit as sanctioned by State Bank of India. As your company is sufficiently funded from the internal accruals and cash accrual from sale of valve division, the company has invested in short term market instruments like fixed maturity plans, mutual funds and debt funds.

During the year under review, ICRA has conducted the surveillance of credit facilities and re-affirmed the long term credit ratings to 'A-' (Aminus) and short term credit ratings to 'A1' (A one). The outlook of the long term ratings is stable. Strong credit ratings by ICRA reflect the company's financial discipline and prudence.

## 6. MANAGEMENT DISCUSSION AND ANALYSIS

### (a) Industry Structure and Developments:

The Indian economy is estimated to have grown 6.5% in 2011-12 as against 8.4% in 2010-11. The Indian economy was impacted by global uncertainties and facing domestic problems like high inflation, low investments and delayed policy decisions. The average industrial engineering sector grows by 3.4% in the year under review. The future projections for the growth remains stable for engineering sector. The negative growth of heavy capital goods industry and slow down in capital projects will affect the performance of the engineering industry.

#### Engineering Business:

The year under review, has ended with a growth of 22% contrarily to expectations. The company has shown a much higher growth compared to the average engineering industry growth. This has been possible mainly due to execution of evaporation plants on turnkey basis. There has been a growth in the supply of surface condensers, feed water heaters, oil coolers and gland steel condensers also.

#### Food Business:

In this year, BCool has enhanced their product line to add high-end natural products to their existing products. With food flavouring essences continuing to be the largest part of BCool sales, your company have now added Natural extracts to our flavouring essence line. These are exported to several countries and are made entirely from natural extracts. This product development has led to the creation of new customers and is in line with the global shift away from synthetic to the natural and organic. Secondly, your company believes that sugar-free range has taken a strong footing and will achieve strong top line growth as a result of this. As has been the case in the past years, your company is adding new customers to the portfolio as a result of BCool being an established, recognised brand globally.

### (b) Segment-wise Performance:

Your company has divided the business in two segments i.e. Engineering Division and Food Division.

Your company's performance in the engineering sector has improved by way of increase in turnover and also in the profits.

The food business is growing which shows an increase in turnover by 60% and company has made profits of ₹ 0.63 Crores from the turnover of ₹ 6.74 Crores in the current financial year.

### (c) Outlook:

Drivers of the economy like power projects, other infrastructure development activities, industrial growth and favourable policy regulations will drive growth in this industry. The industry is expecting to come out from the bad economic conditions in the coming years, your company will be benefitted from its strong position in engineering products by way of providing quality products to its customers. Mazda Limited is well poised to exploit its internal strengths, carry out its ambitious expansion plans and focus its presence in the engineering sector.



In line with our goal to offer a total solution for Zero Liquid Discharge for effluent (especially for agro, pesticides, chemicals & dye industries), your company has launched highly efficient Agitated Thin Film Dryers (ATFDs) to be installed on the downstream of evaporator systems. The concept of Zero Liquid Discharge is catching on and your company expects good growth in this product line.

Your company expects good growth in the next year in the evaporator business and a reasonable growth in the domestic vacuum business. However, in the export vacuum business, your company expects higher growth.

Your company has started the production at its 4<sup>th</sup> Unit from 1<sup>st</sup> April, 2012. The fourth unit will provide additional capacity of 20% to 25% for production.

**(d) Opportunities and threats:**

Your company in this bad economic situation foresees the growth in its engineering division by way of introduction of new technologies and state of the art designing facility for its products. Your company by way of initiating changes in the product mix will cater the needs of its existing as well as new customer's requirements.

The overall global conditions in the market and inflationary pressures of the prices of raw materials are a concern to your company. In the engineering division especially in the products range of evaporators and pollution control equipments, the company is facing stiff competition from the low cost manufacturers, but our focus on innovation and quality ensures that we stay ahead of the competition.

**(e) Internal control systems and risk management:**

Your company has effective and adequate internal control systems, which ensure reliable financial reporting, safeguarding of assets and adherence to management policies.

Your company has adequate internal control system in place. The internal auditor is viewing your company's performance as well as internal checks and controls are properly reviewed in consultation with the external auditors and Board of Directors of your company.

The company's internal process covers amongst others, process of identification, assessment and mitigation of various risks, including operational, product and financial risks. Such risks are reviewed and discussed at regular management review meetings, wherein senior management members are present. The system of internal controls ensures that all transactions are properly recorded and authorized.

**(f) Health, Safety & Environment:**

Your company has environmental, health and workplace safety programmes in place and has established policies and procedures aimed at ensuring compliance with applicable legislative requirements. The HSE objectives form an integral part of the overall corporate strategy.

Your company believes that the health and safety of the workers and employees is fundamental to the business. Identification and elimination or control of workplace hazards for the protection of all is of utmost importance to the company.

Your company's manufacturing facility at all four units and corporate office are OHSAS 18001:2007 and ISO 14001:2004 certified.

**(g) Human Resources and Industrial Relations:**

The company's human resources continue to be its biggest asset. The company continuously reviews its HR Policies and practices and carry out necessary improvements to attract and retain best talent and to produce best results from them. The company continued to enjoy healthy industrial relations during the year.

The company has employed 202 personnel as at 31/03/2012. All the employees are having the required qualifications to perform their jobs. Your company is providing technical guidance to skill development institutions by way of providing training to the engineering students.

**7. EXPORTS AND TECHNOLOGY DEVELOPMENTS**

Exports for the year were at ₹ 21.84 Crores as compared to ₹ 18.09 Crores for the previous year increasing by almost 20% compared to the last year. The export business has maintained its pace with the domestic market.

Your company is implementing latest technologies to manufacture better quality products. Improved technologies results into better quality production which enhance the reputation of the company in the domestic as well as international market.

**8. FIXED DEPOSITS**

Your company has not accepted new Fixed Deposits during the year under review. The matured Fixed Deposits are repaid in time. The existing Fixed Deposits are within the limits prescribed under Companies (Acceptance of Deposits) Rules, 1975 as amended to date.

**9. DIRECTORS**

Mr. Harbhajansingh B. Khalsa, Director, who retires by rotation and being eligible offers himself for re-appointment.

Mrs. Sheila S. Mody, Director, who retires by rotation and being eligible offers herself for re-appointment.

Mrs. Houtoxi F. Contractor, Director, who retires by rotation and being eligible offers herself for re-appointment.

The brief resume of the appointing directors are given in the Corporate Governance Report.

**10. DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) The directors have 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 31<sup>st</sup> March, 2012 and of the profit of the company for the year ended on that date;
- (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.

**11. REPORT ON CORPORATE GOVERNANCE**

As per Clause 49 of the Listing Agreement with the stock exchanges, a separate section on Corporate Governance together with a certificate from the Statutory Auditors confirming compliance is set out in the Annexure forming part of Corporate Governance Report.

**12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 regarding Conservation of Energy, Technology Absorption, Research & Development and Foreign Exchange earnings & outgo are given in Annexure – A which forms part of Directors' Report.

**13. EMPLOYEES**

As required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended to date, the particulars of which are given in Annexure – B which forms part of this Directors' Report.

**14. STATUTORY AUDITORS**

M/s. Apaji Amin & Co., Chartered Accountants retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have furnished a written certificate to the company certifying that, if they are re-appointed as Auditors of your company such appointment would be within the limits specified in Section 244(1)(B) of the Companies Act, 1956. The notes to the accounts referred to in the Auditors' report are self-explanatory and, therefore, do not call for any further comments.





**15. COST AUDITOR**

As per the Circular of MCA Order No. F. No. 52/26/CAB-2010 dated 24/01/2012 ordering the Cost Audit of products falling under certain chapter heads of excise. Your company is falling within that order and hence appointed Mr. V. H. Shah, Cost Accountant as Cost Auditor to conduct cost audit for the financial year 2012-13.

**16. APPRECIATION**

Your Board takes this opportunity to express its sincere appreciation of the excellent contribution made by all its employees towards the overall performance of your company. Your Directors also thank all the shareholders, distributors, suppliers, bankers and other business associates for their valuable service and support during the year under review.

**17. CAUTIONARY NOTE**

The statements forming part of the Directors' Report may contain certain forward looking remarks within the meaning of applicable security laws and regulations. The actual results, performance, achievements of the company may be materially different from any future results, performance or achievements that may be expressed or implied by such forward looking statements.

For and on behalf of the Board,

Place : Ahmedabad  
Date : 04/08/2012

**Sorab. R. Mody**  
Managing Director



## ANNEXURE - A TO DIRECTORS' REPORT

### COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

#### FORM - B

Sr. No.	Particulars	Action taken
<b>1.</b>	<b>Research &amp; Development (R&amp;D)</b>	
A.	Specific areas in which R&D carried out by the company	Product improvement and cost controlling
B.	Benefits derived as a result of the above R&D	Enhanced capacity and improved performance of the production capacity
C.	Future plan of action	Cost effective production and product development
D.	Expenditure on R&D a. Capital b. Recurring c. Total d. Total R&D expenditure as a percentage of total turnover	Nil Nil Nil Nil
<b>2.</b>	<b>Technology absorption, adaptation and innovation</b>	
A.	Efforts, in brief, made towards technology absorption, adaptation and innovation	N.A.
B.	Benefits derived as a result of the above efforts	N.A.
C.	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:  a. Technology imported b. Year of import c. Has technology been fully absorbed? d. If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action	N.A. N.A. N.A. N.A.



**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign Exchange Inflow:

• Exports on FOB basis	₹	21,41,71,956
• Equipment repairs income	₹	2,04,651
<b>TOTAL</b>	₹	<b>21,43,76,607</b>

Foreign Exchange Outgo:

• On Foreign Travel	₹	7,77,505
• On Subscription	₹	3,74,752
• On Purchase of Materials	₹	2,05,95,176
• Payment of Dividend	₹	10,13,250
• Registration fees	₹	13,003
• Equipment repairs expenses	₹	3,01,893
• Sales commission expenses	₹	26,66,926
<b>TOTAL</b>	₹	<b>2,57,42,505</b>

**ANNEXURE – B TO DIRECTORS' REPORT**

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2012.

Sr. No.	Name	Designation	Remuneration* (₹)	Qualification	Experience (Yrs)	Commencement of Employment	Age (Yrs)	Particulars of Last Employment/ Employer/ Last Post & Period for which post held
1.	Sorab R. Mody	Managing Director	77,60,138	B.Com.	33	01/12/1991	66	J.N. Marshall Ltd. - Branch Manager

\* Remuneration includes Salary, Commission, Leave Travel Assistance, Medical Reimbursement & other Allowances.

For and on behalf of the Board,

Place : Ahmedabad  
Date : 04/08/2012

**Sorab R. Mody**  
Managing Director



## REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

The following is a report on Corporate Governance Code as implemented by your company.

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a set of systems and practices to ensure that company's affairs are being managed in such a way that it ensures accountability, transparency, fairness in all its transactions. The overall goal of good Corporate Governance is to provide long term sustainable value to its stakeholders and to meet societal expectations.

The company and its Board of Directors firmly believes that the strong governance can be achieved by maintaining a simple and transparent corporate structure. The Company follows the basic Corporate Governance practices of fair and transparent business, effective management control by the Board, compliance of laws and monitoring of business risks which results into safeguarding the interest of all its stakeholders including creditors, customers, suppliers and employees.

### 2. BOARD OF DIRECTORS

The Board of Directors ('The Board') fully supports and endorses Corporate Governance practices as enunciated in Clause 49 of the Listing Agreement. The Board reviews and approves the company's strategic, operational and financial plans and monitors its performance with the annual plans.

#### (a) Composition of Board

The company's board consists of 10 members out of whom 3 members are executive directors, 3 members are Non-executive and 4 members are independent directors. The company has a non-executive and independent Chairman. Therefore, composition of the Board is in conformity with clause 49 of the Listing Agreement with the stock exchanges.

Name of the Directors	Category of Directors	No. of Board Meetings Held while holding the office	Attended while holding the office	Attendance at the last AGM	No. of Directorship in other Companies*	No. of Committees in which Member / Chairman*
Dr. Nanalal C. Mehta (Chairman)	Non-Executive & Independent	4	3	No	NIL	NIL
Mr. Sorab R. Mody (Managing Director)	Promoter & Executive	4	4	Yes	NIL	NIL
Mr. Mohib N. Khericha	Non-Executive & Independent	4	4	Yes	5	5/2
Mr. Samuel W. Croll-III	Non-Executive	4	0	No	NIL	NIL
Mr. Dady K. Contractor	Non-Executive & Independent	4	3	No	4	4 / 1
Mrs. Sheila S. Mody	Non-Executive	4	4	Yes	NIL	NIL
Mrs. Houtoxi F. Contractor	Non-Executive	4	0	No	NIL	NIL
Mr. Harbhajansingh B. Khalsa	Non-Executive & Independent	4	4	No	NIL	NIL
Mr. Percy X. Avari	Executive	4	4	Yes	NIL	NIL
Mrs. Shanaya Mody Khatua	Executive	4	0	Yes	NIL	NIL

\* excluding private companies & Mazda Limited

**(b) Remuneration of directors**

Non-executive directors are paid sitting fees only for their directorship in your company. The details of remuneration paid to directors for the year ended 31<sup>st</sup> March, 2012 are as follows:

Name of Directors	Sitting Fees (₹)	Salaries, Perquisites & other Allowances (₹)	Commission (₹)	Total (₹)
Dr. Nanalal C. Mehta (Chairman)	60,000	NIL	NIL	60,000
Mr. Sorab R. Mody (Managing Director)	NIL	36,00,000	41,60,138	77,60,138
Mr. Mohib N. Khericha	83,000	NIL	NIL	83,000
Mr. Samuel W. Croll-III	NIL	NIL	NIL	NIL
Mr. Dady K. Contractor	30,000	NIL	NIL	30,000
Mrs. Sheila S. Mody	88,000	NIL	NIL	88,000
Mrs. Houtoxi F. Contractor	NIL	NIL	NIL	NIL
Mr. Harbhajansingh B. Khalsa	83,000	NIL	NIL	83,000
Mr. Percy X. Avari	NIL	35,96,800	13,86,712	49,83,512
Mrs. Shanaya Mody Khatua	NIL	35,96,800	13,86,712	49,83,512

**(c) Details of Board Meetings held during the year:**

During the year under review, four board meetings were held on following dates:

30 April 2011	30 July 2011	07 November 2011	06 February 2012
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**3. REMUNERATION COMMITTEE**

The remuneration Committee comprises of Mr. Mohib N. Khericha, Dr. Nanalal C. Mehta and Mr. Harbhajansingh B. Khalsa, who are non-executive & independent directors, reviews and makes recommendations on remuneration package, terms of the service agreement and commission payable to its Executive directors.

There is one meeting held on 30<sup>th</sup> July, 2011 to review the remuneration package payable to executive directors including commission payable to them subject to the approval of the Central Government.

**4. AUDIT COMMITTEE**

The Audit Committee of Directors comprises of three Non-executive and independent Directors. The present members of Committee are Mr. Mohib N. Khericha, Dr. Nanalal C. Mehta and Mr. Harbhajansingh B. Khalsa. The Company Secretary acts as the secretary to the Committee. All the members of the Audit Committee are financially literate. Mr. Mohib N. Khericha acts as a Chairman of the Audit Committee.

The Audit Committee acts as a link between the Management, Statutory Auditors, Internal Auditors and the Board of Directors.

The Terms of Reference of the Audit Committee includes those specified under Clause 49 of the Listing Agreement with the stock exchanges as well as under section 292A of the Companies Act, 1956. The Audit Committee of the company is entrusted with the responsibility to supervise the company's internal control system & financial reporting process and perform the following functions:

- Overseeing the company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing with management the quarterly financial results before submission to the Board.
- Recommending the appointment and removal of statutory auditors, fixation of audit fees and approval for payment for any other services.
- Reviewing with management, statutory auditors and internal auditors, the adequacy of internal audit function and weaknesses if any, in the internal control system.
- Reviewing the company's financial and risk management policies.
- Overview the significant related party transaction submitted by the management from time to time.

**Details of Audit Committee meetings and attendance:**

During the year under review, four Audit Committee meetings were held on the following dates:

30 April 2011                                      30 July 2011                                      07 November 2011                                      06 February 2012

Mr. Mohib N. Khericha and Mr. Harbhajansingh B. Khalsa were present in all the meetings and Dr. Nanalal C. Mehta has attended all the meetings except the meeting held on 30<sup>th</sup> July, 2011. The Chairman of the Audit Committee has attended the Annual General Meeting of the company.

**5. SHAREHOLDERS' GRIEVANCE / SHARE TRANSFER COMMITTEE**

The primary objective of the Shareholders' Grievance / Share Transfer Committee is to look into redressal of investor's complaints related to non-receipt of share certificates, transfer & transmission of shares, non-receipt of dividend and revalidation of the warrants etc. The Shareholders' Grievance / Share Transfer Committee comprises of Dr. Nanalal C. Mehta, Mr. Percy X. Avari and Mrs. Sheila S. Mody.

During the year under review, 18 complaints were received from shareholders. All the complaints were resolved and no complaint is pending with the company.

**6. GENERAL BODY MEETINGS**

The details of the Annual General Meetings held during the last three years are as follows:

<b>Date</b>	<b>Venue</b>	<b>Time</b>	<b>Special resolution passed, if any</b>
27 September 2011	C/1-39/13/16 G.I.D.C., Naroda, Ahmedabad – 382 330	9.30 A M	No
28 September 2010	C/1-39/13/16 G.I.D.C., Naroda, Ahmedabad – 382 330	9.30 A M	No
29 September 2009	C/1-39/13/16 G.I.D.C., Naroda, Ahmedabad-382 330	9.30 A M	Yes (2 Nos.)

## 7. DISCLOSURES

- There are no transactions of a materially significant nature with the promoters, the Directors or the Management or relatives that may have potential conflict with the interest of the company at large.  
Related party transactions are disclosed in the Note No. 33 Forming Parts of Accounts in this Annual Report.
- The company has complied with the requirements of the stock exchanges, SEBI, statutory authorities on all matter related to capital markets during the last three years. There are no penalties or strictures imposed on the company by them.
- The company has implemented the Whistle Blower policy and the same has been reviewed by the Audit Committee. No complaints have been received under the policy during the financial year under review. In the opinion of the Board there are no cases where a person was denied access to the grievance process set up by the company.
- The company has a well defined 'Code of Business Conduct' applicable to all the Board members and senior management personnel. The compliance to 'Code of Business Conduct' has been affirmed by the Managing Director of the company. The certificate for the affirmation to the same forms part of the Corporate Governance Report.
- A certificate from the Managing Director and Financial Controller on the financial statements of the company in terms of clause V of clause 49 of the Listing Agreement with the stock exchanges was placed before the Board of Directors and the same forms part of Corporate Governance Report.
- The Board receives on a quarterly basis, certificates of compliance with the provisions of all applicable laws from the Managing Director and Compliance officer, which are taken on record by the Board.
- As stipulated by SEBI guidelines, a qualified Company Secretary carries out secretarial audit to reconcile to total admitted capital with NSDL and CDSL and total issued and listed capital. This audit is carried out every quarter and the report is submitted to the stock exchanges.
- Mazda Limited has complied with mandatory requirements of Corporate Governance Code. The Board has set up Remuneration Committee and implemented Whistle Blower Policy. The company would review implementation of other non-mandatory requirements of Corporate Governance Code in due course of time. Auditors' certificate regarding compliance of Corporate Governance Code for the financial year 2011-12 forms part of the Corporate Governance Report.

## 8. BRIEF RESUME OF DIRECTORS SEEKING RE-APPOINTMENT

**1) Mr. Harbhajansingh B. Khalsa, Director of the company retires by rotation and being eligible offers himself for re-appointment.**

Mr. Harbhajansingh B. Khalsa aged 65 years has been on the company since 2003. He is a commerce graduate. He has a vast experience in the Engineering Industry.

He is not holding directorship in any other company. He is not holding any shares in your company.

**2) Mrs. Sheila S. Mody, Director of the company retires by rotation and being eligible offers herself for re-appointment.**

Mrs. Sheila S. Mody aged 65 years, has been on the Board of the company since 1992. She is a science graduate. Her experience and knowledge in the field of engineering has immensely helped the company.

She is not a director in any other public company except Mazda Limited. She is not holding any membership/chairmanship in any company other than Mazda Limited. She is holding 75,700 equity shares in your company as on 31<sup>st</sup> March, 2012.

**3) Mrs. Houtoxi F. Contractor, director of the company retires by rotation and being eligible offers herself for re-appointment.**

Mrs. Houtoxi F. Contractor aged 59 years, is a commerce graduate and systems analyst. She has been on the Board of the Mazda since 1992. Her experience and knowledge in the field of computer information and technology has helped the company to develop the design and information system.

She is not holding directorship in any other company except Mazda Limited in India. She is holding 592 equity shares in your company as on 31<sup>st</sup> March, 2012.

## 9. MEANS OF COMMUNICATION

- |   |  |
|---|--|
| • Half-Yearly report sent to each household of shareholders                           | No   |
| • Quarterly Results –Newspapers in which normally published                           | Economic Times (English & Gujarati edition)  |
| • Web site, where displayed   | At Companies web site <a href="http://www.mazdalimited.com">www.mazdalimited.com</a> |
| • Presentation made to Institutional Investors or to Analysts                         | No   |
| • Whether Management Discussion and Analysis Report is a part of Annual Report or not | Yes  |



## 10. GENERAL SHAREHOLDERS INFORMATION

- AGM - Date Tuesday, 25<sup>th</sup> September, 2012
- - Time 9.30 AM
- - Venue C/1-39/13/16 G.I.D.C., Naroda, Ahmedabad- 382 330
  
- Financial Calendar (Tentative) April 2012 to March 2013
  - (a) First Quarter Results First week of August 2012
  - (b) Second Quarter Results First week of November 2012
  - (c) Third Quarter Results First week of February 2013
  - (d) Fourth Quarter Results Last week of May 2013
  - (e) Results for the year ending May 2013  
March 2013 (Audited)
  
- Date of Book Closure 14<sup>th</sup> September, 2012 to 21<sup>st</sup> September, 2012  
(Both days inclusive)
  
- Dividend Payment Date (Tentative) 8<sup>th</sup> October, 2012
  
- Listing on Stock Exchanges
  - Bombay Stock Exchange Limited
  - Ahmedabad Stock Exchange LimitedListing fees for the period 2012-2013 has been paid to the stock exchanges.
  
- Stock Code Bombay Stock Exchange Limited: 523792  
Ahmedabad Stock Exchange Limited: 36100
  
- Demat ISIN No. For NSDL and CDSL INE885E01034
  
- CIN NO. L29120GJ1990PLC014293
  
- Registrar and Share Transfer Agent Sharepro Services (India) Pvt. Ltd.  
13-AB, Samhita Warehousing Complex,  
Sakinaka Tel. Exch. Lane, Andheri Kurla Road,  
Sakinaka, Mumbai-400 072.  
Phone No. (022) 67720300
  
- Share Transfer System Transfers of Shares are processed by the Share Transfer Agents and approved by the Share Transfer Committee, which meets at frequent intervals. Share transfers are registered and returned within 15 days from the date of receipt, if the relevant documents are complete in all respects.
  
- Name and email address of the Compliance officer of the company Mr. Nishith C. Kayasth, Company Secretary  
Email: [nishith@mazdalimited.com](mailto:nishith@mazdalimited.com)
  
- Dematerialisation of shares and liquidity 90.98% of the paid-up capital has been dematerialised as on June 30, 2012.
  
- Plant Location
  - Unit-I** C/1-39/13/16 GIDC, Naroda, Ahmedabad- 382 340
  - Unit-II** Plot No. 11 & 12, Hitendranagar Sahakari Vasahat Ltd., N.H. Road, Naroda, Ahmedabad- 382 340
  - Unit-III** C/1, A-5, GIDC, Odhav, Ahmedabad-382 415
  - Unit-IV** Plot No. 17/1, Phase-III, GIDC, Naroda, Ahmedabad- 382 415
  
- Address for correspondence **Mazda Limited - Corporate Office:**  
650/1, Mazda House, Panchvati 2<sup>nd</sup> Lane,  
Ambawadi, Ahmedabad- 380 006.  
  
Shareholders holding shares in electronic mode should address all their correspondence to their respective depository Participant for any queries related to change of address or change in bank mandate.



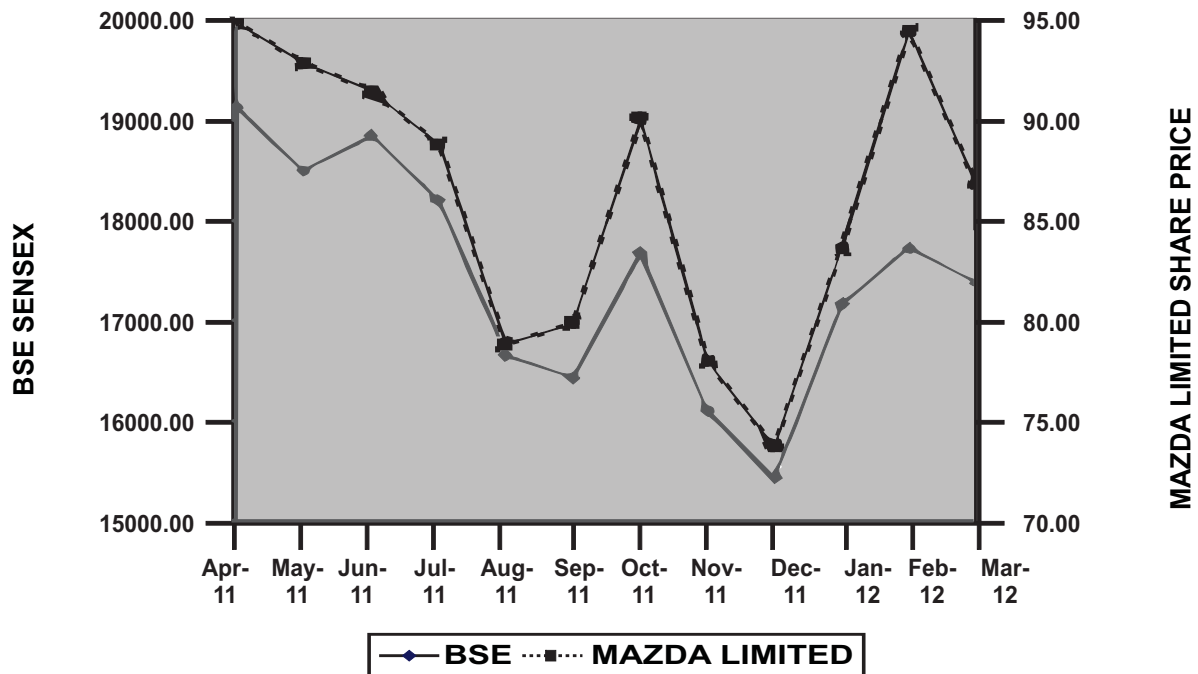


- Monthly Highs and Lows of Market Price of the Company's Shares Traded on Bombay Stock Exchange Limited for the period April 2011 to March 2012:

Month	Bombay Stock Exchange Limited (BSE)	
	High	Low
April, 2011	111.00	87.05
May, 2011	96.00	85.00
June, 2011	104.00	88.00
July, 2011	94.50	80.10
August, 2011	88.10	75.00
September, 2011	89.95	75.10
October, 2011	93.00	76.05
November, 2011	90.10	76.05
December, 2011	85.50	70.25
January, 2012	87.95	71.05
February, 2012	99.90	80.00
March, 2012	94.75	80.05

Source: BSE Website

- Stock Price Performance in comparison to BSE Sensex





• **Shareholding pattern as on March 31,2012**

Categories	No. of Shares held	% of Total Shareholding
<b>Promoter's Holding</b>		
Promoters and its group (Indian)	14,57,311	34.23
Foreign Promoters	NIL	NIL
<b>Sub-Total</b>	<b>14,57,311</b>	<b>34.23</b>
<b>Non-promoter's Holding</b>		
Mutual Funds	9,230	0.22
Banks	800	0.02
Foreign Institutional Investors	1,09,613	2.57
Domestic Companies	3,24,006	7.61
Indian Public	19,68,256	46.22
NRIs	99,284	2.33
Foreign Company	2,89,500	6.80
<b>Sub-Total</b>	<b>28,00,689</b>	<b>65.77</b>
<b>Grand-Total</b>	<b>42,58,000</b>	<b>100.00</b>

• **Distribution of shareholding as on March 31, 2012**

Shareholding	Shareholders		No. of shares	
	Folios	% of total Nos.	Shares	% of total shares
Less than 500	3625	87.33	4,51,805	10.61
501 to 1000	226	5.45	1,85,888	4.37
1001 to 2000	142	3.42	2,13,563	5.02
2001 to 3000	45	1.08	1,13,650	2.67
3001 to 4000	14	0.34	50,887	1.19
4001 to 5000	17	0.41	80,522	1.89
5001 to 10000	40	0.96	2,95,830	6.95
10001 and above	42	1.01	28,65,855	67.30
<b>Total</b>	<b>4151</b>	<b>100.00</b>	<b>42,58,000</b>	<b>100.00</b>

For and on behalf of the Board,

Place : Ahmedabad  
Date : 04/08/2012

**Sorab R. Mody**  
Managing Director



**CERTIFICATION BY MANAGING DIRECTOR  
& FINANCIAL CONTROLLER OF THE COMPANY**

**To,  
The Board of Directors**

We to the best of our knowledge and belief certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2012 and that to the best of our knowledge and belief :
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. We also certify, that based on our knowledge and the information provided to us, there are no transactions entered into by the company during the year which are fraudulent, illegal or violate the company's code of conduct.
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
4. We further certify that :
  - a. there have been no significant changes in internal control over financial reporting during the year;
  - b. there have been no significant changes in accounting policies during the year and the same have been disclosed in notes to the financial statements; and
  - c. there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Ahmedabad  
Date : 04/08/2012

**Cyrus J. Bhagwagar**  
Financial Controller

**Sorab R. Mody**  
Managing Director



## AFFIRMATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT

**To the members of Mazda Limited,**

The company has adopted a Code of Conduct for all the Board members and senior executives of the company, including the Managing Director.

I hereby confirm that all Board members and Senior Management personnel have affirmed compliance with the Code of Conduct applicable to them in respect of the year ended 31<sup>st</sup> March, 2012.

Place : Ahmedabad  
Date : 04/08/2012

**Sorab R. Mody**  
Managing Director

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## COMPLIANCE CERTIFICATE FOR CORPORATE GOVERNANCE

**To the members of Mazda Limited,**

We have examined the compliance of conditions of Corporate Governance by Mazda Limited for the year ended 31<sup>st</sup> March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to review of the procedures and implementations thereof, adopted by the company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of the above mentioned Listing Agreement.

We state that in respect of investors grievances received during the year ended 31<sup>st</sup> March, 2012, no investor grievances were pending as per the records maintained by the Shareholders / investors' Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For and on behalf of,  
APAJI AMIN & CO.  
Chartered Accountants  
Firm Registration No. 100513W**

Place : Ahmedabad  
Date : 04/08/2012

**T. B. SETHNA**  
Partner  
Membership No. 35476



## AUDITORS' REPORT

**To the Members,  
MAZDA LIMITED**

1. We have audited the attached Balance Sheet of MAZDA LIMITED as at 31<sup>st</sup> March, 2012, the Profit and 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.
2. 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 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 purposes of our audit;
  - b) In our opinion, proper books of accounts as required by law have been kept at the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion the Balance Sheet, the Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) In our opinion, and based on information and explanation given to us, none of the directors are disqualified as on 31<sup>st</sup> March, 2012 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon gives the information required by the Companies Act, 1956, in the manner so required, and presented a true and fair view, in conformity with the accounting principles generally accepted in India:
    - i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012.
    - ii) In so far as it relates to the Profit & Loss Account, of the Profit of the Company for the year ended on that date; and
    - iii) In so far as it relates to the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

**FOR APAJI AMIN & CO.,  
Chartered Accountants  
Firm Registration No. 100513W**

Place : Ahmedabad  
Date : 04/08/2012

**T. B. SETHNA  
Partner  
Membership No. 35476**



## ANNEXURE TO AUDITORS' REPORT

(Referred to in Paragraph 3 of our report of even date)

1. In respect of its fixed assets:
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of all fixed assets on the basis of available information.
  - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regards to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c. The Company has not disposed of substantial part of fixed assets during the year; accordingly the going concern status of the Company is not affected.
2. In respect of its inventories:
  - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year. In our opinion, the frequency of such verification is reasonable.
  - b. In our opinion and according to the information and explanation given to us, 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. The Company is maintaining proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
  - a. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause 4(iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
  - b. According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from Companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - c. In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the Company.
  - d. In respect of loans taken by the Company in earlier years, the interest payments are regular and the principal amount is repayable on demand.
  - e. There is no overdue amount in respect of loans taken by the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. Further on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control systems.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
  - a. According to the information and explanations given to us, we are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that Section; and
  - b. According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements an exceeding the value of five lakhs rupees in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.



7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. In respect of statutory dues:
  - a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2012 for a period of more than six months from the date of becoming payable.
  - b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other which have not been deposited on account of any dispute.
10. The Company has no accumulated losses and has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders as at the balance sheet date.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ society are not applicable to the Company.
14. The Company has no transactions relating to trading in securities, debentures and other investments.
15. According to information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us on an overall basis, the term loans have been applied for the purposes for which they were raised.
17. According to the information and explanations given to us and on an 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 investments.
18. During the year, 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.
19. During the period covered by Audit Report, the company has not issued any debentures. Therefore, a provision of clause 4(xix) of the Companies (Auditors' Report) Order, 2003 is not applicable to the company.
20. The Company has not raised any money by way of public issue during the year.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

**FOR APAJI AMIN & CO.,  
Chartered Accountants  
Firm Registration No. 100513W**

Place : Ahmedabad  
Date : 04/08/2012

**T. B. SETHNA  
Partner  
Membership No. 35476**



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2012

SR. NO.	PARTICULARS	NOTES	AS AT 31/03/2012 ₹	AS AT 31/03/2011 ₹
<b>I Equity And Liabilities</b>				
1.	<b>Shareholders' Funds</b>			
	(a) Share Capital	3	4,25,80,000	4,25,80,000
	(b) Reserves & Surplus	4	61,62,18,874	53,61,36,630
			<u>65,87,98,874</u>	<u>57,87,16,630</u>
2.	<b>Non-current Liabilities</b>			
	(a) Long Term Borrowings	5	15,00,000	15,00,000
	(b) Deferred Tax Liabilities (net)	6	1,45,09,509	1,60,89,683
	(c) Long Term Provisions	7	42,84,327	26,31,290
			<u>2,02,93,836</u>	<u>2,02,20,973</u>
3.	<b>Current Liabilities</b>			
	(a) Short Term Borrowings	8	1,00,98,810	---
	(b) Trade Payables	9	12,53,46,754	10,38,17,087
	(c) Other Current Liabilities	10	5,50,47,877	3,73,58,428
	(d) Short Term Provisions	11	1,98,56,868	1,74,21,027
			<u>21,03,50,309</u>	<u>15,85,96,542</u>
	<b>TOTAL</b>		<u><u>88,94,43,019</u></u>	<u><u>75,75,34,145</u></u>
<b>II Assets</b>				
1.	<b>Non-current Assets</b>			
	(a) Fixed Assets			
	(i) Tangible Assets	12	12,32,82,292	11,98,07,393
	(ii) Intangible Assets	13	23,32,067	30,87,526
	(iii) Capital Work-In-Progress	12	6,56,58,577	3,18,44,630
	(iv) Intangible Assets Under Development	13	14,69,750	14,69,750
	(b) Long Term Loans And Advances	14	5,35,41,623	3,83,01,111
	(c) Other Non-current Assets	15	8,00,484	2,50,022
			<u>24,70,84,793</u>	<u>19,47,60,432</u>
2.	<b>Current Assets</b>			
	(a) Current Investments	16	13,83,31,977	18,33,85,751
	(b) Inventories	17	19,55,40,434	14,46,81,806
	(c) Trade Receivables	18	23,49,97,609	17,09,10,470
	(d) Cash And Cash Equivalents	19	2,52,64,783	4,27,66,580
	(e) Short Term Loans And Advances	20	4,82,23,423	2,10,29,106
			<u>64,23,58,226</u>	<u>56,27,73,713</u>
	<b>TOTAL</b>		<u><u>88,94,43,019</u></u>	<u><u>75,75,34,145</u></u>

Summary of Significant Accounting Policies

2

The accompanying Notes are an integral part of the Financial Statements.

**AS PER OUR REPORT OF EVEN DATE**

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF MAZDA LIMITED**

**FOR APAJI AMIN & CO.,**  
**CHARTERED ACCOUNTANTS,**  
 Firm Registration No. 100513W

**SORAB R. MODY**  
**MANAGING DIRECTOR**

**SHEILA S. MODY**  
**DIRECTOR**

**MOHIB N. KHERICHA**  
**DIRECTOR**

**T. B. SETHNA**  
**PARTNER**  
**MEMBERSHIP NO. 35476**

**CYRUS J. BHAGWAGAR**  
**FINANCIAL CONTROLLER**

**NISHITH C. KAYASTH**  
**COMPANY SECRETARY**

PLACE : AHMEDABAD  
 DATE : 04/08/2012

PLACE : AHMEDABAD  
 DATE : 04/08/2012





## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012

SR. NO.	PARTICULARS	NOTES	YEAR ENDED 31/03/2012 ₹	YEAR ENDED 31/03/2011 ₹
<b>I</b>	<b>Revenue</b>			
	Revenue From Operations (gross)	21	1,11,25,98,366	90,52,47,915
	Less : Excise Duty		<u>8,18,00,175</u>	<u>6,11,13,526</u>
	Revenue From Operations (net)		1,03,07,98,191	84,41,34,389
	Other Income	22	1,63,56,508	80,17,048
	<b>Total Revenue - I</b>		<u>1,04,71,54,699</u>	<u>85,21,51,437</u>
<b>II</b>	<b>Expenses</b>			
	Cost of Raw Materials and Packing Materials Consumed	23	60,12,03,879	45,53,92,867
	Increase in Finished, Traded and Work-In-Progress Inventories	24	(3,28,61,563)	(48,70,396)
	Manufacturing Expenses	25	12,17,57,348	10,15,29,292
	Employee Benefits Expenses	26	9,36,27,638	8,08,38,294
	Administrative & General Expenses	27	4,84,29,480	4,32,10,912
	Selling & Marketing Expenses	28	4,92,34,465	4,97,18,352
	<b>Total Expenses - II</b>		<u>88,13,91,247</u>	<u>72,58,19,321</u>
<b>III</b>	<b>Earnings Before Interest, Tax, Depreciation and Amortisation (I - II)</b>		16,57,63,452	12,63,32,116
<b>IV</b>	Depreciation and Amortisation Expenses	12,13	1,02,24,068	99,05,548
<b>V</b>	Finance Costs	29	1,13,28,190	45,44,656
<b>VI</b>	<b>Profit Before Exceptional items &amp; Tax (III-IV-V)</b>		<u>14,42,11,194</u>	<u>11,18,81,912</u>
<b>VII</b>	<b>Exceptional Item - Sale of Valve Division - Prior Period items</b>		(13,62,715)	(2,56,954)
<b>VIII</b>	<b>Tax Expenses</b>			
	(i) Current Tax		4,51,70,000	6,26,00,000
	(ii) Deferred Tax		(15,80,174)	(14,62,595)
	(iii) Excess Provision of earlier years		(6,80,459)	(6,73,854)
	(iv) Wealth Tax		61,852	42,825
			<u>4,29,71,219</u>	<u>6,05,06,376</u>
<b>IX</b>	<b>Net Profit For The Year (VI-VII-VIII)</b>		<u>9,98,77,260</u>	<u>18,90,01,351</u>
	<b>Earnings Per equity Share</b>			
	<b>Basic and Diluted (in ₹)</b>			
	[Nominal Value of Share ₹ 10 (March 31, 2011: ₹ 10)]			
	EPS before Extra Ordinary Items	32	23.46	18.36
	EPS after Extra Ordinary Items	32	23.46	44.39

Summary of significant Accounting Policies

2

The accompanying Notes are an integral part of the Financial Statements.

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF MAZDA LIMITED

FOR APAJI AMIN & CO.,  
CHARTERED ACCOUNTANTS,  
Firm Registration No. 100513W

SORAB R. MODY  
MANAGING DIRECTOR

SHEILA S. MODY  
DIRECTOR

MOHIB N. KHERICHA  
DIRECTOR

T. B. SETHNA  
PARTNER  
MEMBERSHIP NO. 35476

CYRUS J. BHAGWAGAR  
FINANCIAL CONTROLLER

NISHITH C. KAYASTH  
COMPANY SECRETARY

PLACE : AHMEDABAD  
DATE : 04/08/2012

PLACE : AHMEDABAD  
DATE : 04/08/2012



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012

PARTICULARS	Year ended 31/03/2012	Year ended 31/03/2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit/(Loss) before extraordinary items and tax</b>	<b>14,42,11,194</b>	<b>11,18,81,912</b>
<i>Adjusted for :</i>		
Depreciation and amortisation	1,02,24,068	99,05,548
(Profit) / Loss on sale / write off of assets	3,30,822	9,69,722
Interest Income	(14,01,653)	(12,67,610)
Loss on revaluation of Mutual Fund	23,29,573	2,68,267
Donation	78,552	44,000
Dividend Income	(34,13,517)	(53,79,457)
(Gain) / Loss on Forward Contracts	40,91,947	(5,12,270)
Gain on Sale of Investments	(47,86,831)	(6,15,311)
Interest paid	7,27,578	3,82,044
Security transaction Tax expenses	---	20,826
Net unrealised exchange (gain) / loss	(18,39,586)	4,51,574
	<u>63,40,953</u>	<u>42,67,333</u>
<b>Operating profit / (loss) before working capital changes</b>	<b>15,05,52,147</b>	<b>11,61,49,245</b>
<b>Changes in working capital :</b>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Trade receivables	(6,40,87,139)	(2,37,22,739)
Short-term loans and advances	(2,71,94,317)	16,210
Long-term loans and advances	2,02,84,923	(1,34,48,184)
Inventories	(5,08,58,628)	53,59,711
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	2,15,29,667	2,83,35,888
Other current liabilities	1,76,89,449	(4,98,998)
Long-term provisions	16,53,037	(10,96,033)
Net unrealised exchange (gain) / loss	18,39,586	(4,51,574)
	<b>(7,91,43,422)</b>	<b>(55,05,719)</b>
<i>Cash flow from extraordinary items:</i>		
Extraordinary Item -Valve div.	---	13,78,82,769
Donation	(78,552)	(44,000)
Prior Period Adjustment	(13,62,715)	(2,44,494)
	<u>6,99,67,458</u>	<u>24,82,37,801</u>
<b>Cash generated from operations</b>	<b>6,99,67,458</b>	<b>24,82,37,801</b>
Net income tax (paid) / refunds	(4,10,57,805)	(6,46,09,212)
<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES (A)</b>	<b>2,89,09,653</b>	<b>18,36,28,589</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets, including capital advances	(8,64,31,773)	(4,41,66,067)
Proceeds from sale of fixed assets	3,43,500	2,26,86,198
Purchase of current investment	(10,40,59,072)	(45,30,21,319)
Current Investments not considered as Cash and Cash equivalents		
- Proceeds from sale	15,15,70,104	31,57,30,472
Interest received	8,51,191	14,73,683
Dividend Income	34,13,517	53,79,457
	<u>(3,43,12,533)</u>	<u>(15,19,17,576)</u>
<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(3,43,12,533)</b>	<b>(15,19,17,576)</b>



PARTICULARS	Year ended 31/03/2012	Year ended 31/03/2011
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid	(1,49,03,000)	(2,55,48,000)
Dividend Distribution tax	(24,75,202)	(43,41,883)
Interest paid	(7,27,578)	(3,82,044)
Gain/(Loss) on Forward Contracts	(40,91,947)	5,12,270
Payments of Long term borrowings	---	(5,80,760)
Proceeds from short term borrowings	1,00,98,810	---
<b>NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES (C)</b>	<b>(1,20,98,917)</b>	<b>(3,03,40,417)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(1,75,01,797)</b>	13,70,596
Cash and cash equivalents at the beginning of the year	4,27,66,580	4,13,95,984
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR [Note No. 16]</b>	<b>2,52,64,783</b>	4,27,66,580

**Notes:**

- The cash flow statement has been prepared under the "indirect method" as set out in Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- The previous year's figures have been regrouped wherever necessary to make them comparable with this year's figures.

AS PER OUR ATTACHED  
REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

**FOR APAJI AMIN & CO.,  
CHARTERED ACCOUNTANTS,  
Firm Registration No. 100513W**

**SORAB R. MODY  
MANAGING DIRECTOR**

**SHEILA S. MODY  
DIRECTOR**

**MOHIB N. KHERICHA  
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COMPANY SECRETARY**

PLACE : AHMEDABAD  
DATE : 04/08/2012

PLACE : AHMEDABAD  
DATE : 04/08/2012



## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2012

### 1. CORPORATE INFORMATION

Mazda Limited (the 'Company') is a public limited company incorporated in 1990 under provisions of the Companies Act, 1956. The Company is an Engineering company engaged in the business of manufacturing and sales of Vacuum Systems, Condensers, Steam Jet Ejectors, L.P. Heaters, H.P. Heaters, Evaporators and Pollution Control Equipments. The Company's Head Quarters and three manufacturing plants are in Ahmedabad, Gujarat State. The Company sells its products in the domestic as well as export markets. The Company has recently set up its forth unit in Ahmedabad as a part of capacity enhancement. The equity shares of the Company are listed on the Bombay Stock Exchange Limited(BSE) and Ahmedabad Stock Exchange Limited(ASE).

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (A) BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

#### (B) PRESENTATION & DISCLOSURE OF FINANCIAL STATEMENTS

During the year ended March 31, 2012, the Revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its financial statements. The adoption of Revised Schedule VI does not impact the recognition and measurement principles followed for preparation of financial statements. However it has a significant impact on the presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non current classification of assets and liabilities.

#### (C) TANGIBLE FIXED ASSETS

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises Purchase Price, Borrowing Costs if capitalization criteria are met and any other directly attributable cost of bringing the asset to its working condition for the intended use, net off of any trade discounts and rebates.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are changed to the Statement of Profit and Loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Capital assets under erection/installation are stated in the Balance Sheet as "Capital Work-in-Progress".

**(D) INTANGIBLE ASSETS**

Intangible Assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible Assets are amortized on a Straight-line basis over the estimated useful economic life. Computer Software is being depreciated on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956.

**(E) RESEARCH AND DEVELOPMENT**

Revenue expenditure pertaining to Research & Development is charged to revenue under respective heads of accounts in the year in which they are incurred. Capital Expenditure on Research & Development is shown as an addition to Fixed Assets.

**(F) DEPRECIATION**

- (i) Depreciation on fixed assets is provided on straight line method at the rates provided by Schedule XIV to the Companies Act, 1956.
- (ii) Depreciation on assets acquired / sold during the year has been provided on pro-rata basis.
- (iii) Assets costing individually ₹ 5,000 or less are depreciated fully in the year of acquisition.

**(G) IMPAIRMENT OF ASSETS**

The company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any such indications exist, the carrying value of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to Profit and Loss Account. If at the Balance Sheet date there is an indication that previously assessed impairment losses no longer exist, than such loss is reversed and the asset is restated to that effect.

**(H) LEASES**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term. All leases are cancellable in nature and subject to renewal each year.

**(I) INVESTMENTS**

Investments, which are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. Investments in share of foreign subsidiaries are reported in Indian Currency at the rate of exchange prevailing on the date of transaction. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

**(J) INVENTORIES**

Inventories include raw materials, bought out components, work-in-progress and manufactured finished goods.

- (i) Finished products produced by the Company are valued at lower of cost and net realizable value. Cost includes direct materials, labour, a proportion of manufacturing overheads and Excise duty has been charged on finished goods.

- (ii) Work in Progress is valued at cost of direct materials, labour and other Manufacturing overheads up to estimated stage of process.
- (iii) Raw materials and stores and spares:  
Raw materials and stores and spares are valued at Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The cost is determined using First in First out (FIFO) method.

**(K) REVENUE RECOGNITION**

Revenue is recognized based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery :

**(I) SALE OF GOODS**

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of goods. Excise Duty deducted from turnover (gross) are the amount that is included in the amount of turnover (gross) and not the entire amount of liability arised during the year. Excise duty is accounted on the basis of both, payments made in respect of goods cleared and also provision made for goods lying in bonded warehouse. VAT and Sales Tax are charged to Revenue.

**(II) INTEREST**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**(III) EXPORT INCENTIVES**

Export Incentives are recognized as income when right to receive credit as per the terms of the scheme is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

**(IV) OTHER INCOME**

Revenue in respect of other income is recognized when no significant uncertainty as to measurability or collectability exists.

**(V) SERVICES**

Income from services is recognized when the services are rendered.

**(VI) DIVIDEND**

Dividend Income is recognized when the right to receive dividend is established.

**(L) EXPENDITURE DURING CONSTRUCTION PERIOD**

Expenditure during construction period is included under capital work-in- progress and the same is allocated to the respective fixed assets on completion of construction.

**(M) FOREIGN CURRENCY TRANSACTION**

- (i) Initial Recognition: Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- (ii) Conversion: At the year end, monetary items denominated in foreign currencies other than those covered by forward contracts are converted into rupee equivalents at the year-end exchange rates.
- (iii) Forward Exchange Contracts: In respect of transactions covered by forward exchange contracts, the difference between the forward rate and the exchange rate at the date of the transaction is recognized as income or expense over the period of the contract.
- (iv) Exchange Differences: All exchange differences arising on settlement/Conversion of foreign Currency transactions are recognized in the Profit and Loss Account.

**(N) RETIREMENT AND OTHER EMPLOYEE BENEFITS**

**(I) GRATUITY**

The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

**(II) LEAVE ENCASHMENT**

Provision for Leave Encashment, which are expected to be availed and encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of leave encashment as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Leave encashment, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

**(III) PROVIDENT FUND**

Contributions to Defined Contribution schemes such as Provident Fund, etc. are charged to the Profit and Loss account as incurred. The contributions are made to a government administered Provident Fund towards which the Company has no further obligations beyond its monthly contributions.

**(O) INCOME TAXES**

Tax Expense comprises of Current and Deferred Tax. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred Income Taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred Income Taxes reflect the impact of Timing Differences between Taxable Income and Accounting Income originating during the Current Year and reversal of timing differences for the earlier years. Deferred Tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

**(P) EARNINGS PER SHARE**

The Company reports basic Earning Per Share (EPS) in accordance with Accounting Standard 20 on Earning Per Share.

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus and preferential issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(Q) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents in the cash flow statement comprise cash on hand, cash at bank, short-term investments with an original maturity of three months or less and remittances in transit.

**(R) DERIVATIVE INSTRUMENTS**

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income during the same period in which transaction occurs. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year. The Company does not enter into forward contracts for trading or speculation purpose.

**(S) PROVISIONS**

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**(T) CONTINGENT LIABILITIES**

A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A Contingent Liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.





**(U) BORROWING COSTS**

Borrowing costs that are attributable to the acquisitions or construction of fixed assets for expansion/new project are capitalized to respective fixed assets. Other borrowing costs are charged to revenue in the year in which they are incurred.

**(V) SEGMENT REPORTING - IDENTIFICATION OF SEGMENT**

The Company's operating businesses are organized and managed separately according to the nature of products and activities, with each segment representing a strategic business unit that has different products and activities. The analysis of geographical segments is based on the geographical location of the customers. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses".

**(W) MEASUREMENT OF EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of Profit / (Loss) from continuing operations. In its measurement, the Company does not include Depreciation and Amortization expense, Finance Costs and Tax expenses.

**3. SHARE CAPITAL**

	31/03/2012		31/03/2011	
	No. of Shares	₹	No. of Shares	₹
<b><u>AUTHORISED SHARES</u></b>				
Equity Shares of ₹ 10/- each	<u>5000000</u>	<u>5,00,00,000</u>	5000000	5,00,00,000
TOTAL	<u>5000000</u>	<u>5,00,00,000</u>	<u>5000000</u>	<u>5,00,00,000</u>
<b><u>ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARES</u></b>				
Equity Shares of ₹ 10/- each fully paid- up	<u>4258000</u>	<u>4,25,80,000</u>	4258000	4,25,80,000
TOTAL	<u>4258000</u>	<u>4,25,80,000</u>	<u>4258000</u>	<u>4,25,80,000</u>

**(A) RECONCILIATION OF THE SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE YEAR**

**EQUITY SHARES**

At the Beginning of the year	<u>4258000</u>	<u>4,25,80,000</u>	4258000	4,25,80,000
Outstanding at the End of the year	<u>4258000</u>	<u>4,25,80,000</u>	<u>4258000</u>	<u>4,25,80,000</u>

**(B) DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY**

NAME OF THE SHARE HOLDER	31/03/2012		31/03/2011	
	No. of Eq. Shares	% Holding in the Class	No. of Eq. Shares	% Holding in the Class
Sorab R. Mody	955989	22.45	920226	21.61
Shanaya Mody Khatua	425622	10.00	425622	10.00
Croll Reynolds International Inc.	289500	6.80	289500	6.80

- (C) The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each equity shareholder is entitled to one vote per share. In the event of liquidation of the Company, the equity shareholders 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.
- (D) For current financial year, the Dividend proposed to be distributed to equity shareholders ₹ 4/- per share (previous year ₹ 3.50 per share as final dividend and ₹ 3.50 per shares as interim dividend). The Dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting and Company pays the same in Indian Rupees.
- (E) There are no shares allotted as fully paid up during the period of five years immediately preceding the reporting date i.e. 31/03/2012.

	31/03/2012 ₹	31/03/2011 ₹
<b>4. RESERVES AND SURPLUS</b>		
<b>(A) CAPITAL RESERVE</b>		
Balance as per Last Financial Statements	<b>4,24,937</b>	4,24,937
<b>Closing Balance</b>	<b><u>4,24,937</u></b>	<u>4,24,937</u>
<b>(B) SECURITY PREMIUM ACCOUNT</b>		
Balance as per Last Financial Statements	<b>3,00,00,000</b>	3,00,00,000
<b>Closing Balance</b>	<b><u>3,00,00,000</u></b>	<u>3,00,00,000</u>
<b>(C) CAPITAL BUYBACK RESERVE</b>		
Balance as per Last Financial Statements	<b>41,68,000</b>	41,68,000
<b>Closing Balance</b>	<b><u>41,68,000</u></b>	<u>41,68,000</u>
<b>(D) GENERAL RESERVE</b>		
Balance as per Last Financial Statements	<b>5,20,10,750</b>	3,20,10,750
Add: Transferred from Statement of Profit and Loss	<b>1,00,00,000</b>	2,00,00,000
<b>Closing Balance</b>	<b><u>6,20,10,750</u></b>	<u>5,20,10,750</u>



(E) SURPLUS

<b>Balance as per Last Financial Statements</b>	<b>44,95,32,943</b>	31,53,45,559
Net Profit/ (Net Loss) for the year	<b>9,98,77,260</b>	18,90,01,351
Proposed Final Dividend		
- On Equity Shares [₹ 4/- per share (March 31, 2011: 3.50)]	<b>1,70,32,000</b>	1,49,03,000
Interim Dividend		
- On Equity Shares [NIL (March 31, 2011: 3.50)]	---	1,49,03,000
Tax on Proposed Dividend		
- On Equity Shares	<b>27,63,016</b>	50,07,967
Transfer to General Reserve	<b>1,00,00,000</b>	2,00,00,000
<b>Net Surplus in the Statement of Profit and Loss</b>	<b>51,96,15,187</b>	<b>44,95,32,943</b>
<b>GRAND TOTAL</b>	<b>61,62,18,874</b>	<b>53,61,36,630</b>

	<b>NON - CURRENT PORTION</b>	<b>CURRENT</b>	<b>PORTION</b>
	<b>31/03/2012</b>	<b>31/03/2011</b>	<b>31/03/2012</b>
	₹	₹	₹
<b>5. LONG TERM BORROWINGS</b>			
<u>Term Loans from Banks *</u>			
Rupee Loans (Secured)- vehicle loans	---	---	5,80,760
Intercorporate Deposits (Unsecured)	---	---	---
			5,80,760
<b>The above amount includes:</b>			
Secured Borrowings	---	---	5,80,760
Unsecured Borrowings	<b>15,00,000</b>	15,00,000	---
Amount disclosed under the head "Other Current Liabilities" (Note 10)	---	---	(5,80,760)
<b>Net Amount</b>	<b>15,00,000</b>	<b>15,00,000</b>	---

\* Term Loan from banks are related to vehicles which are hypothecated against vehicles.

	<b>31/03/2012</b>	<b>31/03/2011</b>
	₹	₹
<b>6. DEFERRED TAX LIABILITIES (NET) - NON CURRENT</b>		
<b>Deferred Tax Liability</b>		
Impact of Difference between depreciation/ amortisation as per Income Tax and charged for the Financial Reporting	<b>1,58,99,558</b>	1,50,85,589
<b>Gross Deferred Tax Liabilities</b>	<b>1,58,99,558</b>	<b>1,50,85,589</b>
<b>Deferred Tax Asset</b>		
Impact of Expenditure charged to the Statement of Profit and Loss in the Current Year, but allowed for tax purposes in following years on payment basis		
Gratuity	<b>5,30,008</b>	(16,99,022)
Leave encashment	<b>8,60,041</b>	6,94,928
<b>Gross Deferred Tax Assets</b>	<b>13,90,049</b>	(10,04,094)
<b>Deferred Tax Liabilities (Net)</b>	<b>1,45,09,509</b>	<b>1,60,89,683</b>

	31/03/2012 ₹	31/03/2011 ₹
<b>7. LONG TERM PROVISIONS</b>		
<b><u>Provision for Employee Benefits</u></b>		
Provision for Gratuity	16,33,558	3,42,327
Provision for Leave Encashment	26,50,769	22,88,963
	<u>42,84,327</u>	<u>26,31,290</u>
<b>8. SHORT-TERM BORROWINGS</b>		
<b><u>Secured Borrowings From Banks:</u></b>		
SBI Export Packing Credit Facilities (secured) *	1,00,98,810	---
	<u>1,00,98,810</u>	<u>---</u>
The above amount includes:		
Secured Borrowings	1,00,98,810	---
	<u>1,00,98,810</u>	<u>---</u>
* Cash credit facility, Export Packing Credit facility from the State Bank of India are secured by the Pledge/ Hypothecation of stock, book debts and equitable mortgage of the assets of the company and co-lateral security of premise owned by Mr. S.R Mody, situated at Odhav GIDC and also personally guaranteed by Mr. S.R. Mody, who is the Managing Director of the company.		
<b>9. TRADE PAYABLES - SHORT TERM</b>		
Dues to Related Parties (Note 33)	47,97,550	47,96,303
Other Payables	12,05,49,204	9,90,20,784
<i>(Refer Note 36 for details of Dues to Micro &amp; Small Enterprises)</i>	<u>12,53,46,754</u>	<u>10,38,17,087</u>
<b>10. OTHER CURRENT LIABILITIES - SHORT TERM</b>		
Current Maturities of Long Term Borrowings	---	5,80,760
Advance from Customers	3,10,64,228	2,16,13,992
Unclaimed Dividends	11,43,912	11,24,553
Employee Benefits Payable	1,67,36,910	1,04,02,120
Statutory dues including Provident Fund & Tax deducted at Source	52,87,870	31,46,849
Other Payable	8,14,957	4,90,154
	<u>5,50,47,877</u>	<u>3,73,58,428</u>
There is no amount due and outstanding to be credited to Investors Education and Protection Fund as at March 31, 2012.		
<b>11. SHORT TERM PROVISIONS</b>		
Provision for Wealth Tax (net of advances)	61,852	42,825
Proposed Equity Dividend	1,70,32,000	1,49,03,000
Provision for Tax on Proposed Equity Dividend	27,63,016	24,75,202
	<u>1,98,56,868</u>	<u>1,74,21,027</u>

### 12. TANGIBLE ASSETS

SR. NO.	PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK			
		BALANCE AS AT 01/04/11	ADDITIONS	DISPOSALS	BALANCE AS AT 31/03/12	BALANCE AS AT 01/04/11	CHARGE FOR THE YEAR	DISPOSALS	BALANCE AS AT 31/03/12	BALANCE AS AT 31/03/11	BALANCE AS AT 31/03/12
1.	Buildings	4,97,85,765	33,35,355	---	5,31,21,120	1,25,33,034	16,42,731	---	1,41,75,765	3,72,52,731	3,89,45,355
2.	Plant and Machineries	7,15,94,093	64,01,275	3,67,116	7,76,28,252	1,89,35,565	36,24,685	2,82,562	2,22,77,688	5,26,58,528	5,53,50,564
3.	Furniture, Fixtures	1,13,41,568	5,33,483	---	1,18,75,051	52,15,790	7,05,123	---	59,20,913	61,25,778	59,54,138
4.	Vehicles	1,64,49,865	12,11,774	19,77,090	1,56,84,549	66,13,341	12,88,082	14,02,080	64,99,343	98,36,524	91,85,206
5.	Computers	1,13,11,712	13,50,223	---	1,26,61,935	75,91,608	11,34,348	---	87,25,956	37,20,104	39,35,979
6.	Office Equipment	75,81,594	5,78,105	52,615	81,07,084	33,21,837	3,77,588	37,857	36,61,568	42,59,757	44,45,516
7.	Patterns	47,455	---	---	47,455	9,793	5,367	---	15,160	37,662	32,295
8.	Electrical Installation	1,04,34,378	12,615	---	1,04,46,993	45,18,069	4,95,685	---	50,13,754	59,16,309	54,33,239
	<b>TOTAL</b>	<b>17,85,46,430</b>	<b>1,34,22,830</b>	<b>23,96,821</b>	<b>18,95,72,439</b>	<b>5,87,39,037</b>	<b>92,73,609</b>	<b>17,22,499</b>	<b>6,62,90,147</b>	<b>11,98,07,393</b>	<b>12,32,82,292</b>
	Capital Work-In-Progress	3,18,44,630	3,38,13,947	---	6,56,58,577	---	---	---	---	3,18,44,630	6,56,58,577
	<b>GRAND TOTAL</b>	<b>21,03,91,060</b>	<b>4,72,36,777</b>	<b>23,96,821</b>	<b>25,52,31,016</b>	<b>5,87,39,037</b>	<b>92,73,609</b>	<b>17,22,499</b>	<b>6,62,90,147</b>	<b>15,16,52,023</b>	<b>18,89,40,869</b>
	<i>Previous Year's Figures</i>	<i>20,18,09,447</i>	<i>2,38,74,645</i>	<i>4,71,37,664</i>	<i>17,85,46,428</i>	<i>7,39,28,510</i>	<i>89,67,519</i>	<i>2,41,56,993</i>	<i>5,87,39,036</i>	<i>12,78,80,937</i>	<i>11,98,07,392</i>

### 13. INTANGIBLE ASSETS

SR. NO.	PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK			
		BALANCE AS AT 01/04/11	ADDITIONS	DISPOSALS	BALANCE AS AT 31/03/12	BALANCE AS AT 01/04/11	CHARGE FOR THE YEAR	DISPOSALS	BALANCE AS AT 31/03/12	BALANCE AS AT 31/03/11	BALANCE AS AT 31/03/12
1.	Computer software	57,53,123	1,95,000	---	59,48,123	26,65,597	9,50,459	---	36,16,056	30,87,526	23,32,067
	<b>TOTAL</b>	<b>57,53,123</b>	<b>1,95,000</b>	<b>---</b>	<b>59,48,123</b>	<b>26,65,597</b>	<b>9,50,459</b>	<b>---</b>	<b>36,16,056</b>	<b>30,87,526</b>	<b>23,32,067</b>
	Intangible Assets under Development	14,69,750	---	---	14,69,750	---	---	---	---	14,69,750	14,69,750
	<b>GRAND TOTAL</b>	<b>72,22,873</b>	<b>1,95,000</b>	<b>---</b>	<b>74,17,873</b>	<b>26,65,597</b>	<b>9,50,459</b>	<b>---</b>	<b>36,16,056</b>	<b>45,57,276</b>	<b>38,01,817</b>
	<i>Previous Year's Figures</i>	<i>62,40,873</i>	<i>2,47,250</i>	<i>7,35,000</i>	<i>57,53,123</i>	<i>17,74,899</i>	<i>9,38,029</i>	<i>47,331</i>	<i>26,65,597</i>	<i>44,65,974</i>	<i>30,87,526</i>

		31/03/2012	31/03/2011
		₹	₹
<b>14. LONG-TERM LOANS AND ADVANCES - NON-CURRENT</b>			
<b>Capital Advances - Unsecured, considered good</b>	(A)	<b>3,90,00,000</b>	---
<b>Security deposit against Property - Secured, considered good</b>		<b>50,00,000</b>	50,00,000
<b>Other deposits - Secured, considered good</b>		<b>33,09,892</b>	22,19,401
	(B)	<b>83,09,892</b>	72,19,401
<b>Other Loans and Advances</b>			
Advance income-tax (net of provision for taxation)		---	---
Amount receivable on sale of Valve Division ( Slump Sale)		---	2,12,36,531
Advance Income Tax (Net of Provision)		<b>44,40,497</b>	79,15,058
Loans to employees		<b>17,91,234</b>	19,30,121
	(C)	<b>62,31,731</b>	3,10,81,710
<b>Total</b>	<b>(A + B + C)</b>	<b>5,35,41,623</b>	3,83,01,111
<b>15. OTHER NON-CURRENT ASSETS</b>			
Interest accrued on Fixed Deposits		<b>8,00,484</b>	2,50,022
		<b>8,00,484</b>	2,50,022

		31/03/2012	31/03/2011
		No. ₹	No. ₹
<b>16. CURRENT INVESTMENTS - (at lower of Cost or Market Value)</b>			
<b>(a) Mutual Funds (Quoted) - Units of ₹ 10/- Each , unless otherwise specified</b>			
Bharti Axa Short Term Income Fund	---	---	1992240.578 2,01,76,217
Religare Fixed Maturity Plan-Sr. V Plan D- Growth	---	---	2000000.000 2,00,00,000
ICICI Prudential FMP Series 55 1 Yr Plan A- Cumu.	---	---	2000000.000 2,00,00,000
Reliance Monthly Income Plan- Gr. Plan	<b>475709.057</b>	<b>1,00,86,867</b>	1185685.834 2,50,00,000
HDFC Equity Fund-Dividend Option-Reinv. Plan	<b>176857.219</b>	<b>71,05,946</b>	160761.365 75,00,000
HDFC Equity Fund- Growth Option Plan	<b>6717.851</b>	<b>17,57,880</b>	6717.851 18,76,454
Reliance Small Cap Fund - Growth Plan	<b>250000.000</b>	<b>22,80,075</b>	250000.000 23,77,825
HDFC Cash Management Fund	<b>13356.468</b>	<b>1,33,851</b>	12483.240 1,25,100
- Treasury Adv. Plan - Wholesale Weekly Dividend			
Morgan Stanley ACE Fund- Growth Plan	---	<b>95,76,896</b>	703201.140 1,00,75,215
IDFC Money Manager Fund-Investment Plan-A Weekly Div.	---	---	4040342.813 4,04,96,054
Pramerica Dynamic Monthly Inc. Fund Gr. Opt.	<b>500000.000</b>	<b>50,00,000</b>	500000.000 50,00,000
Pramerica Dynamic Fund- Growth	<b>200000.000</b>	<b>18,36,000</b>	200000.000 19,56,000
Pramerica Equity Fund- Growth	<b>200000.000</b>	<b>16,62,000</b>	200000.000 19,16,000
ICICI Prudential Dynamic Plan- Growth	<b>93112.934</b>	<b>98,81,759</b>	93112.934 1,00,50,000
Reliance Floating Rate Fund- Short Term Plan- Weekly Div.	---	---	367294.990 37,06,137
ICICI Prudential Ultra Short-term (Weekly Div.)	<b>2215170.891</b>	<b>2,21,78,957</b>	---
Pramerica Short Term Income	<b>31125.330</b>	<b>3,12,00,997</b>	---
- (Fortnightly Div. Option) (FV of ₹ 1000/- each)			
Pramerica Short Term Income	<b>22457.285</b>	<b>2,25,00,000</b>	---
- (Monthly Div. Option) (FV of ₹ 1000/- each)			
Franklin Templeton India Dynamic PE Ratio Fund	<b>291762.652</b>	<b>1,15,00,000</b>	291762.652 1,15,00,000
<b>TOTAL</b>		<b>13,67,01,228</b>	18,17,55,002
<b>(b) Equity shares</b>			
Chartered Capital and Investment Limited (Quoted)	<b>45732</b>	<b>1627749</b>	45732 16,27,749
Bombay Mercantile Co-Op Banks Ltd (Unquoted)	<b>100</b>	<b>3000</b>	100 3,000
		<b>16,30,749</b>	16,30,749
<b>TOTAL (A+B)</b>		<b>13,83,31,977</b>	18,33,85,751

	Cost	Market Value	Cost	Market Value
Aggregate Value of Quoted Investment	13,83,28,977	14,08,24,747	18,33,82,751	18,63,10,640
Aggregate Value of Unquoted Investment	3,000		3,000	
	<u>13,83,31,977</u>	<u>14,08,24,747</u>	<u>18,33,85,751</u>	<u>18,63,10,640</u>

	31/03/2012	31/03/2011
	₹	₹

**17. INVENTORIES - SHORT TERM**

[Valued at lower of cost and net realisable value]

Raw Materials and Packing Materials -Engineering	8,68,29,390	6,97,16,244
Raw Materials and Packing Materials - Food division	1,08,65,448	92,48,657
Semi Finished Goods- Engineering	6,61,17,191	4,87,91,574
Semi Finished Goods- Food division	1,38,707	10,75,512
Finished Goods- Engineering	2,95,29,556	1,30,30,929
Finished Goods- Food division	---	25,876
Stores and Spares -Engineering	20,60,142	27,93,014
	<u>19,55,40,434</u>	<u>14,46,81,806</u>

**18. TRADE RECEIVABLES - CURRENT**

**Outstanding for a period exceeding six months from the date they are due for payment**

Unsecured, considered good	(A)	1,94,34,943	1,57,92,063
<b>Other receivables</b>			
Dues from Related Parties (Note 34)		4,14,74,877	2,28,30,389
Unsecured, considered good -other debtors		17,40,87,789	3,22,88,018
	(B)	21,55,62,666	15,51,18,407
	(A + B)	<u>23,49,97,609</u>	<u>17,09,10,470</u>

**19. CASH AND CASH EQUIVALENTS - CURRENT**

Bank Balances with Schedule Banks:

On Current Accounts	38,67,335	2,76,61,751
Balances in Dividend Accounts	11,43,912	11,24,553
EEFC account	24,47,689	12,94,609
Fixed Deposits with banks	1,71,54,353	1,20,35,652
Cash on Hand	6,51,494	6,50,015
	<u>2,52,64,783</u>	<u>4,27,66,580</u>

**20. SHORT-TERM LOANS AND ADVANCES**

**Advances recoverable in Cash or Kind**

Advance to Suppliers-unsecured considered good	(A)	78,14,507	72,05,053
--	-----	-----------	-----------

**Other Loans and Advances**

Amount receivable on sale of Valve Division ( Slump Sale)		1,75,04,954	---
Prepaid expenses		18,50,073	15,42,819
Loans to employees		4,26,804	4,38,832
Advance to Employees		11,43,217	---
Balances with Statutory Authorities	(B)	1,94,83,868	1,18,42,402

<b>Total</b>	(A + B)	<u>4,82,23,423</u>	<u>2,10,29,106</u>
--------------	---------	--------------------	--------------------

	31/03/2012 ₹	31/03/2011 ₹
<b>21. REVENUE FROM OPERATIONS</b>		
Sale of Goods		
Domestic	88,57,71,605	67,19,37,186
Exports	21,44,56,973	22,56,25,121
Sale of Services		
Domestic		
Consultancy Income	1,65,000	4,20,560
Equipment Repairs income	23,10,503	18,74,784
Exports	2,04,651	6,60,493
Other Operating revenues		
Packing Charges Income	31,65,149	2,87,902
Export incentive income	18,75,264	6,62,993
Sale of Scrap	46,49,221	37,78,876
<b>Revenue from Operations (Gross)</b>	<b>1,11,25,98,366</b>	<b>90,52,47,915</b>
Less: Excise Duty *	8,18,00,175	6,11,13,526
<b>Revenue from Operations (Net)</b>	<b>1,03,07,98,191</b>	<b>84,41,34,389</b>
* Excise Duty on Sales amounting to ₹ 818.00 lacs (March 31, 2011: ₹ 611.14 lacs) has been reduced from sales in Statement of Profit and Loss under the head of Excise & Customs Duty amounting to ₹ 18.09 lacs (March 31, 2011: ₹ (8.08 lacs) has been considered as manufacturing expense in Note 25 of financial statements.		
<b>Sale of Finished Goods</b>		
Vacuum Systems	55,05,76,255	4,89,64,624
Heaters	7,44,07,400	---
Desuperheaters	---	88,44,236
PRS/PRDS	---	33,04,873
Control Valves	---	42,72,070
Pressure Reducing Valves	---	11,48,060
Safety Valves	---	54,648
Gate/Stop Valves	---	1,67,000
Vacuum Pumps	3,39,35,497	2,21,68,595
Pollution Control Equip.	2,58,81,844	1,12,08,015
Valve Positioners	---	1,29,450
Chill Vactor	44,98,800	36,04,280
Rotajectors	55,72,250	83,15,037
Evaporators	19,64,70,121	1,91,70,000
Thermo Compressors	2,41,00,988	2,61,58,619
B Cool (Food Division)	6,67,01,467	4,07,15,983
Others (Including Spares)	3,62,83,781	3,82,23,291
	<b>1,01,84,28,403</b>	<b>83,64,48,767</b>
<b>22. OTHER INCOME</b>		
<b>Interest income</b>		
From current Investment-Bank	10,67,979	9,42,138
From Others	3,33,674	3,25,472
<b>Dividend Income</b>		
From Current Investments	34,13,517	53,79,457
<b>Net Gain on sale of Investments</b>		
From Current Investments	47,86,831	6,15,311
<b>Other Non-operating Income - net of expenses directly attributable to</b>		
Apprentice Stipend Income	---	2,42,400
Exchange Differences (Net)	48,67,284	---
Gain on Forward Contracts	---	5,12,270
Other Income -Miscellaneous	18,87,223	---
	<b>1,63,56,508</b>	<b>80,17,048</b>



	31/03/2012	31/03/2011
	₹	₹
<b>23. COST OF RAW MATERIALS CONSUMED</b>		
Inventory at the beginning of the Year	8,17,57,915	9,19,88,022
Inventory of Valve division on slump sale	---	2,31,97,206
Add: Purchases	<u>61,92,00,944</u>	<u>46,83,59,966</u>
	<b>70,09,58,859</b>	<b>53,71,50,782</b>
Less: Inventory at the end of the Year	<u>9,97,54,980</u>	<u>8,17,57,915</u>
<b>Cost of Raw Materials and Packing Materials Consumed</b>	<b><u>60,12,03,879</u></b>	<b><u>45,53,92,867</u></b>
<b><u>Consumption of Raw Materials</u></b>		
(a) Round Bar	1,78,33,615	1,29,12,950
(b) Pipes & Tubes	11,14,75,721	8,03,19,307
(c) Plates	13,30,68,074	8,99,17,193
(d) Profiles & Circles	4,12,07,287	1,58,22,806
(e) Flanges	3,40,44,280	2,23,12,268
(f) Castings	---	6,56,871
(g) Stop Valves	4,99,94,397	3,74,54,765
(h) Instruments	7,43,26,582	5,43,48,671
(i) Bought Outs & Others	8,67,50,305	10,76,27,766
<b>Food Division</b>		
(j) Raw Material	3,09,44,562	2,21,27,915
(k) Packing Material	2,15,59,056	1,18,92,355
	<u>60,12,03,879</u>	<u>45,53,92,867</u>
<b><u>Inventories of Raw Materials</u></b>		
(a) Round Bar	54,57,118	40,02,825
(b) Pipes & Tubes	1,10,26,435	1,06,78,312
(c) Plates	2,63,19,797	2,09,01,731
(d) Profiles & Circles	9,31,162	5,53,132
(e) Flanges	73,85,984	60,04,425
(f) Stop Valves	99,17,324	1,07,74,646
(g) Instruments	78,28,747	27,20,497
(h) Bought Outs & Others	2,00,22,965	1,68,73,688
<b>Food Division</b>		
(i) Raw Material	46,95,777	30,26,887
(j) Packing Material	61,69,671	62,21,772
	<u>9,97,54,980</u>	<u>8,17,57,915</u>
<b>24. (INCREASE)/DECREASE IN INVENTORIES</b>		
Inventory at the end of the Year		
Work-in-progress (*)	6,62,55,898	4,98,67,086
Finished Goods	<u>2,95,29,556</u>	<u>1,30,56,805</u>
	<b>(A)</b>	<b>9,57,85,454</b>
Inventory at the beginning of the Year		
Work-in-progress (*)	4,98,67,086	3,60,88,404
Finished Goods	<u>1,30,56,805</u>	<u>2,19,65,091</u>
	<b>(B)</b>	<b>6,29,23,891</b>
<b>TOTAL</b>	<b>(B-A)</b>	<b><u>(3,28,61,563)</u></b>

\* As per Company's management, it is not possible to give the details of Inventories of Work-in-Progress and Finished goods as the Company is manufacturing customised engineering goods and every machine is unique based on demand of customer and hence, the same is difficult to bifurcate at any point of time given.

	31/03/2012	31/03/2011
	₹	₹
<b>25. MANUFACTURING EXPENSES</b>		
Factory Consumables	1,17,64,788	1,09,44,258
Power and Fuel	69,48,565	63,93,413
Labour Charges	8,21,35,732	6,84,06,988
Inspection and Testing Charges	54,07,491	63,05,235
Excise & Custom duty	42,79,873	2,20,623
Inward Freight and Carting Charges	57,53,815	45,23,221
Lease & Rent	19,85,350	19,32,700
Repairs and Maintenance - Plant and Machineries	34,81,734	28,02,854
	<u>12,17,57,348</u>	<u>10,15,29,292</u>
<b>26. EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages and Bonus*	8,43,64,775	7,03,47,653
Contribution to Provident and Other Fund	26,08,438	25,06,077
Gratuity Expense (Note 34)	41,59,378	59,58,005
Staff Welfare Expenses	24,95,047	20,26,559
	<u>9,36,27,638</u>	<u>8,08,38,294</u>
* includes provision for leave encashment (net) ₹ 49,52,599/- ( March 31, 2011; 24,45,199)		
<b>27. ADMINISTRATIVE AND GENERAL EXPENSES</b>		
Rent, Rates and Taxes	34,82,959	32,11,619
Insurance	52,89,297	35,85,933
Repairs and Maintenance - Buildings	37,22,417	4,56,692
- Others	9,49,093	11,69,830
Travelling and Conveyance	1,08,03,466	1,16,74,545
Communication Costs	25,83,792	26,76,038
Printing and Stationery	12,29,457	12,19,713
Legal and Professional Fees	98,04,191	59,70,619
Directors' Sitting Fees	3,44,000	3,48,000
Payment to Auditor (Refer details below)	6,17,000	5,21,000
Donations	78,552	44,000
Electricity Expense Office	4,36,735	5,76,962
Exchange rate Difference	---	19,92,800
Loss on Sale of Fixed Assets (Net)	3,30,822	9,69,722
Other administrative expenses	87,57,699	87,93,439
	<u>4,84,29,480</u>	<u>4,32,10,912</u>
<b>Payment to Auditor:</b>		
As Auditor:		
Audit Fee	4,50,000	3,80,000
Tax Audit Fee	1,00,000	1,00,000
In Other Capacity - Other Services (Certification Fees)	67,000	41,000
	<u>6,17,000</u>	<u>5,21,000</u>
<b>28. SELLING AND MARKETING EXPENSES</b>		
Commission on Sales	1,71,38,622	99,69,050
Freight and Forwarding on Sales	1,12,15,905	1,17,30,694
Advertisements and Business Promotions	8,98,940	8,46,202
Equipment repairs Expense	19,84,810	20,56,934
Debit/ Credit Balances Written Off	1,14,93,356	1,86,42,659
Liquidated Damages	10,21,707	24,45,271
Sales Tax Expense	54,81,125	40,27,542
	<u>4,92,34,465</u>	<u>4,97,18,352</u>

	31/03/2012 ₹	31/03/2011 ₹
<b>29. FINANCE COSTS</b>		
Loss on revaluation of Mutual Fund	23,29,573	2,68,267
Loss on Forward Contracts	40,91,947	---
Interest	7,27,578	3,82,044
Bank Charges	41,79,092	38,94,345
	<b>1,13,28,190</b>	<b>45,44,656</b>
<b>30. COMMITMENTS</b>		
<b>(a) Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of advance ₹ 244.36 lacs (March 31, 2011: ₹ 281.55 Lacs)]	---	2,81,55,365
	---	2,81,55,365
<b>31. CONTINGENT LIABILITIES NOT PROVIDED FOR</b>		
CONTINGENT LIABILITIES	NIL	NIL
<b>32. EARNINGS PER SHARE (EPS)</b>		
<b>Net Profit as per Statement of Profit and Loss</b>	<b>9,98,77,260</b>	18,90,01,351
Opening number of Equity Shares	<b>42,58,000</b>	42,58,000
<b>Basic and Diluted Earning Per Share before Extraordinary items (in ₹)</b>	<b>23.46</b>	19.18
<b>Basic and Diluted Earning Per Share after Extraordinary items (in ₹)</b>	<b>23.46</b>	44.39
Nominal Value of Shares (in ₹)	<b>10.00</b>	10.00
<b>33. INFORMATION IN RESPECT OF RELATED PARTIES</b>		
<b>(i) List of Related Parties and their Relationships</b>		
As Per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below :		
<b>a) List of Related Parties</b>	<b>:</b>	<b>Nature of Relationship</b>
i) Ahura Controls Pvt. Ltd.	:	Mrs. Sheila S. Mody, a Director of the Company is also the Managing Director of Ahura Controls Private Limited.
ii) Croll Reynolds Co. Inc. New Jersey, U.S.A	:	Mr. Samuel W. Croll-III who is a Director of the company is also a Director of Croll-Reynolds Co. Inc. U.S.A.
iii) Mr. Sorab R. Mody	:	Promoter and Managing Director of the Company.
iv) Mr. Percy X. Avari	:	Key Management Personnel being the Whole-Time Director of the Company.
v) Mrs. Sheila S. Mody	:	Director and Wife of Mr. Sorab R. Mody, Promoter and Managing Director of the Company.
vi) Mrs. Shanaya Mody Khatua	:	Whole-Time Director and daughter of Mr. Sorab R. Mody, Promoter and Managing Director of the Company.
vii) H.T. Engineering (Gujarat) Pvt. Ltd.	:	Mrs. M.N. Tarapore who is a Director of H.T. Engineering (Gujarat) Pvt. Ltd. is a sister of Mr. Percy X. Avari who is a Whole-Time Director of the Company.
viii) Tarapore Enterprise	:	Mrs. M.N. Tarapore and Husband of Mrs. M.N. Tarapore are partners in Tarapore Enterprise. Mrs. M.N. Tarapore is a sister of Mr. Percy X. Avari who is a Whole-Time Director of the Company.
ix) Mrs. Khushnum Percy Avari	:	Wife of Mr. Percy X. Avari, Whole-Time Director of the Company.

(ii) **Related Party Transactions**

Following are the transactions and amount outstanding with related parties as defined under Accounting Standard-18 on "Related Parties Disclosure" as defined under the Companies (Accounting Standards Rules), 2006:

Particulars	2011-2012 ₹	2010-2011 ₹
<i>Related Parties</i>		
<b>a) Sale of Finished Goods</b>	<b>11,89,67,366</b>	15,57,66,805
<i>Croll Reynolds Co. Inc. New Jersey, U.S.A</i>	<b>11,89,67,366</b>	15,57,66,805
<b>b) Sitting Fees for Board Meetings</b>	<b>88,000</b>	98,000
<i>Mrs. Sheila S. Mody</i>	<b>88,000</b>	98,000
<b>c) Labour Charges</b>	<b>1,30,27,977</b>	1,07,44,023
<i>Tarapore Enterprise</i>	<b>1,14,31,934</b>	91,23,291
<i>H.T. Engineering (Guj) Pvt Ltd</i>	<b>15,96,043</b>	16,20,732
<b>d) Receiving of Materials and Services</b>	<b>2,16,56,306</b>	2,27,51,011
<i>H.T. Engineering (Guj) Pvt Ltd</i>	<b>2,16,56,306</b>	2,27,51,011
<b>e) Receipt of Reimbursement of Expenses</b>	<b>26,20,072</b>	---
<i>Croll Reynolds Co. Inc. New Jersey, U.S.A</i>	<b>26,20,072</b>	---
<b>f) Interest Paid</b>	<b>1,65,000</b>	1,65,000
<i>Mr. Sorab R. Mody</i>	<b>1,65,000</b>	1,65,000
<b>g) Rent Paid</b>	<b>34,80,000</b>	33,30,000
<i>Mr. Sorab R. Mody</i>	<b>34,80,000</b>	33,30,000
<b>h) Commission on Profit</b>	<b>69,33,562</b>	32,13,754
<i>Mrs. Shanaya Mody Khatua</i>	<b>13,86,712</b>	---
<i>Mr Percy X. Avari</i>	<b>13,86,712</b>	---
<i>Mr. Sorab R. Mody</i>	<b>41,60,138</b>	32,13,754
<b>i) Dividend Paid</b>	<b>62,40,342</b>	1,02,94,405
<i>Mr. Sorab R. Mody</i>	<b>33,05,557</b>	51,19,798
<i>Mr Percy X. Avari</i>	<b>1,58,217</b>	2,71,230
<i>Mrs. Shanaya Mody Khatua</i>	<b>14,89,677</b>	23,62,177
<i>Mrs. Sheila S. Mody</i>	<b>2,64,950</b>	2,79,200
<i>Croll Reynolds Co. Inc. New Jersey, U.S.A.</i>	<b>10,13,250</b>	22,62,000
<i>Mrs. Khushnum Percy Avari</i>	<b>8,690.50</b>	---
<b>j) Remuneration Paid</b>		
<i>Mr. Sorab R. Mody</i>	<b>36,00,000</b>	29,04,000
<i>Mr Percy X. Avari</i>	<b>35,96,800</b>	35,96,800
<i>Mrs. Shanaya Mody Khatua</i>	<b>35,96,800</b>	35,96,800
<b>(iii) Balances at the end of the Year</b>		
<b>a) Trade Receivables</b>	<b>4,14,74,877</b>	2,28,30,389
<i>Croll Reynolds Co Inc. New Jersey, U.S.A</i>	<b>4,14,74,877</b>	2,28,30,389
<b>b) Trade Payables</b>	<b>47,97,550</b>	47,96,303
<i>H.T. Engineering (Guj) Pvt Ltd</i>		
<i>-Material</i>	<b>33,61,500</b>	34,63,371
<i>-Labour charges</i>	<b>1,84,243</b>	1,50,260
<i>Tarapore Enterprise</i>		
<i>-Labour charges</i>	<b>12,51,807</b>	11,82,672

### 34. DETAILS OF EMPLOYEE BENEFITS

	Leave Pay		Gratuity	
	2011-12	2010-11	2011-12	2010-11

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the plan.

#### STATEMENT OF PROFIT AND LOSS

##### Net employee benefit expense (recognised in employee cost):

Current Service Cost	12,90,739	6,21,266	18,35,170	12,70,018
Interest Cost on Benefit Obligation	2,45,613	3,07,504	12,70,340	11,68,06
Expected Return on plan Assets	---	---	(14,67,465)	(14,14,525)
Net Actuarial (Gain) / Loss recognised in the year	20,30,828	(5,44,253)	25,21,334	47,99,263
<b>Net Benefit Expense</b>	<b>35,67,180</b>	<b>3,84,517</b>	<b>41,59,379</b>	<b>58,22,824</b>

#### BALANCE SHEET

<b>Details of provision</b>	<b>64,97,875</b>	<b>29,77,127</b>	<b>2,05,81,524</b>	<b>1,53,98,057</b>
Defined Benefit Obligation	54,78,925	20,00,709	1,89,47,967	1,49,77,113
Plan Asset / (Liability)	10,18,950	9,76,418	16,33,557	4,20,944

##### Changes in the present value of the defined benefit obligation are as follows:

Opening Defined Benefit Obligation	29,77,127	37,27,323	1,53,98,057	1,41,58,405
Current Service Cost	12,90,738	6,21,266	18,35,170	12,70,018
Interest Cost on Benefit Obligation	2,45,613	3,07,504	12,70,340	11,68,068
Benefits paid	(3,19,304)	(11,34,713)	23,62,966	(54,18,663)
Actuarial (Gains) / Losses on Obligation	23,03,701	(5,44,253)	(2,85,009)	42,20,229
<b>Closing Defined Benefit Obligation</b>	<b>64,97,875</b>	<b>29,77,127</b>	<b>2,05,81,524</b>	<b>1,53,98,057</b>

The overall expected rate of return on assets is determined based on the market price prevailing on that date, applicable to the period over which the obligation is to be settled.

##### The principle assumption used in determining Gratuity Obligation for the Company's plan are shown below:

Discount Rate	8.50 %	9.00 %	8.50 %	9.00 %
Increase in compensation cost	5.00 %	5.00 %	5.00 %	5.00 %

##### Amounts for the Current Year and Previous Year are as follows:

Defined Benefit Obligation	64,97,875	29,77,127	2,05,81,524	1,53,98,057
Surplus / (Deficit)	(64,97,875)	(29,77,127)	(2,05,81,524)	(1,53,98,057)

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The leave pay is payable to all eligible employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement an attaining superannuation age.

	31/03/2012 ₹	31/03/2011 ₹
<b>35. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURES</b>		
<b><u>Derivative Instruments</u></b>		
Forward Contract to sell US\$	38,74,400	27,85,950
Forward Contract to sell GBP	43,73,223	64,04,618
	<u>82,47,623</u>	<u>91,90,568</u>
<b><u>Unhedged Foreign Currency Exposures</u></b>		
Receivables	6,90,41,937	3,65,65,359
Payables	33,75,553	---
Advance From Customers	1,05,69,463	39,52,900
Advance to Suppliers	26,01,715	17,31,392
Balance in EEFC Bank Account	24,47,689	12,94,609
SBI Export Packing Credit Facilities (secured)	1,00,98,810	---
	<u>9,81,35,167</u>	<u>4,35,44,260</u>
<b>36. DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006</b>		
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	1,03,09,038	1,29,59,423
	<u>1,03,09,038</u>	<u>1,29,59,423</u>
<b>37. EARNINGS IN FOREIGN CURRENCY (ON ACCRUAL BASIS)</b>		
Exports at FOB basis	21,41,71,956	22,23,25,230
Equipment Repairs Income	2,04,651	6,60,493
	<u>21,43,76,607</u>	<u>22,29,85,723</u>
<b>38. VALUE OF IMPORTS ON CIF BASIS</b>		
Raw and Packing Materials	1,93,45,646	14,41,388
Capital Goods	10,68,267	---
Others	1,81,263	---
	<u>2,05,95,176</u>	<u>14,41,388</u>

	31/03/2012	31/03/2011
	₹	₹
<b>39. EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)*</b>		
Travelling Expenses	7,77,505	9,40,863
Subscriptions	3,74,752	2,47,880
Equipment Repairs Expense	3,01,893	3,13,985
Technical Consultancy Expense	---	1,64,567
Registration Fees	13,003	---
Sales Commission Expense	26,66,926	---
Dividend	10,13,250	22,62,000
	<b>51,47,329</b>	<b>39,29,295</b>

\* Net of tax deducted at source, wherever applicable.

**40. IMPORTED AND INDIGENEOUS MATERIALS CONSUMED**

	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	% of Total Consumption			
<b>(i) Raw Materials</b>				
(a) Imported	2.92	0.40	1,75,76,926	18,20,676
(b) Indigenous	97.08	99.60	58,36,26,953	45,35,72,191
	<u>100.00</u>	<u>100.00</u>	<u>60,12,03,879</u>	<u>45,53,92,867</u>

**41. OPERATING LEASE**

The Company has entered into operating lease arrangements for Factory Sheds and Office Buildings. Lease agreement on Operating Lease arrangements, debited to the Profit & Loss Account and future minimum lease payments in respect of non cancellable operating leases are summarized below:

Lease Payment debited to the Profit & Loss Account	45,80,000	42,10,000
Further Minimum Lease Payments in Respect of non-cancelable leases	---	---
Amounts due within one year from the date of balance-sheet	10,70,000	16,50,000

42. In the opinion of the Board of Directors, the aggregate value of Current Assets, Current Liabilities, Loans and Advances on its realization will not be less than the amount at which these are stated in the Balance Sheet. Balances are subject to confirmation, are included in Sundry Debtors, Sundry Creditors and Other Advances.

**43. SEGMENT REPORTING**

In accordance with the Accounting Standard-17 (AS-17) 'Segment Reporting' issued by the Institute of Chartered Accountants of India, the details are as under :

- (i) The Company's operation predominantly relates to manufacture of Engineering Goods like Vacuum Products, Evaporators, pollution Control Equipments and also involved in the business of food items.
- (ii) The Secondary segment is geographical, determined and based on the location of the Customers. Customers are classified as Domestic and Overseas.
- (iii) Fixed Assets used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, as allocation of assets and liabilities to segments is currently not practicable.



**Primary segment Information:**

Particulars	Engineering Products	Food Products	Total
Revenues	97,34,97,302	6,73,88,459	1,04,08,85,761
Identifiable Operating Expenses	76,55,61,419	6,10,92,218	82,66,53,637
Segmental Operating Income	<u>20,79,35,883</u>	<u>62,96,241</u>	<u>21,42,32,124</u>
Unallocable Interest Charges			(6,91,358)
Unallocable Expenses			7,20,75,003
Total Profit before Tax			<b>14,28,48,479</b>
Taxes			4,29,71,219
Net Profit for the Year			<b><u>9,98,77,260</u></b>

**Secondary segment Information:**

Particulars	Domestic	Overseas	Total
Revenues	82,24,54,437	21,84,31,324	1,04,08,85,761
Identifiable Operating Expenses	68,68,90,779	13,97,62,858	82,66,53,637
Segmental Operating Income	<u>13,55,63,658</u>	<u>7,86,68,466</u>	<u>21,42,32,124</u>
Unallocable Interest Charges			(6,91,358)
Unallocable Expenses			7,20,75,003
Total Profit before Tax			<b>14,28,48,479</b>
Taxes			4,29,71,219
Net Profit for the Year			<b><u>9,98,77,260</u></b>

**44. PREVIOUS YEAR COMPARATIVES**

The Financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, The Financial statements for the year ended March 31, 2012 are prepared as per The Financial statements for the year ended March 31, 2011 Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

**AS PER OUR REPORT OF EVEN DATE FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF MAZDA LIMITED**

**FOR APAJI AMIN & CO.,  
CHARTERED ACCOUNTANTS,  
Firm Registration No. 100513W**

**SORAB R. MODY  
MANAGING DIRECTOR**

**SHEILA S. MODY  
DIRECTOR**

**MOHIB N. KHERICHA  
DIRECTOR**

**T. B. SETHNA  
PARTNER  
MEMBERSHIP NO. 35476**

**CYRUS J. BHAGWAGAR  
FINANCIAL CONTROLLER**

**NISHITH C. KAYASTH  
COMPANY SECRETARY**

PLACE : AHMEDABAD  
DATE : 04/08/2012

PLACE : AHMEDABAD  
DATE : 04/08/2012





**MAZDA LIMITED**

Registered Office : C/1-39/13/16, GIDC, Naroda,Ahmedabad - 382 330.

**ATTENDANCE SLIP**

Folio No. : \_\_\_\_\_ DP ID : \_\_\_\_\_ Client ID : \_\_\_\_\_

No. of Shares : \_\_\_\_\_

\_\_\_\_\_  
(Name of Member / Proxy / Representative in BLOCK letters)

I hereby record my presence at the 22nd ANNUAL GENERAL MEETING of the company held at the Registered Office at C/1-39/13/16, GIDC, Naroda, Ahmedabad - 382 330, on Tuesday, 25th September, 2012.

\_\_\_\_\_  
Member's / Proxy's Signature  
(To be signed at the time of handing over this slip)

**NOTES :**

1. Members / Proxy holders are requested to bring their copies of the Annual Report with them at the Meeting.
2. Please carry with you this attendance slip and hand over the same duly signed at the space provided, at the entrance of the Meeting Hall.
3. This meeting is for members. Please, therefore, do not bring person in the meeting who is not a member.

-----  
**MAZDA LIMITED**

Registered Office : C/1-39/13/16, GIDC, Naroda,Ahmedabad - 382 330.

**PROXY FORM**

Folio No. : \_\_\_\_\_ DP ID : \_\_\_\_\_ Client ID : \_\_\_\_\_

No. of Shares : \_\_\_\_\_

I / We \_\_\_\_\_ of \_\_\_\_\_  
being a Member / Members of the above named company (MAZDA LIMITED), hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my / our Proxy to vote for me / us and on my / our behalf at the 22nd ANNUAL GENERAL MEETING of the company to be held on Tuesday, 25th September, 2012.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Signed by the said \_\_\_\_\_

[ Affix  
Re. 1/-  
Revenue  
stamp ]

**NOTE :** The Proxy to be effective should be deposited at the Registered Office of the company not less than 48 hours before the commencement of the Meeting. The Proxy need not be a member of the company.

**BOOK - POST  
(PRINTED MATTER)**

To,

If undelivered, please return to :

**MAZDA LIMITED**  
**Mazda House, 650/1, Panchwati 2nd Lane,**  
**Ambawadi, Ahmedabad. 380 006.**