



**20th ANNUAL REPORT
2009 - 2010**



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 S. MODY (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,
3rd 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 Twentieth 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, 28th September, 2010 at 09.30 a.m.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2010 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 31st March, 2010.
3. To appoint a Director in place of Mr. Samuel W. Croll - III, 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 : 31/07/2010

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 17th September, 2010 to 24th September, 2010 (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 16th September, 2010. 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 : 31/07/2010

Nishith Kayasth
Company Secretary



DIRECTORS' REPORT

To,
THE MEMBERS,
MAZDA LIMITED

Your Directors have pleasure in presenting the Twentieth Annual Report on the business and operations of the company along with the Audited Accounts for the year ended March 31, 2010.

1. FINANCIAL RESULTS

(Rs. in Lacs)

Sr. No.	Particulars	2009-10	2008-09
i.	Sales (excluding excise duty) and other Income	8099.02	8079.26
ii.	Profit before interest, depreciation and tax	1603.26	1555.81
iii.	Interest	(-) 1.04	(-) 25.68
iv.	Tax Expenses	(-) 532.41	(-) 513.27
v.	Cash Profit	1069.81	1016.86
vi.	Depreciation	(-) 113.18	(-) 106.05
vii.	Prior period & Extra ordinary items	4.33	18.86
viii.	Profit for the year	960.96	929.67
ix.	Balance of Profit brought forward	2417.04	1657.00
x.	Total Profit available for appropriation	3378.00	2586.67
xi.	Transfer to general reserve	100.00	70.00
xii.	Proposed Dividend	106.45	85.16
xiii.	Dividend Tax	18.09	14.47
xiv.	Profit carried to Balance Sheet	3153.46	2417.04

2. DIVIDEND & TRANSFER TO GENERAL RESERVE

Your directors have recommended a dividend of Rs. 2.50 per equity share (previous year Rs. 2.00 per equity share) which amounts to Rs. 106.45 Lacs i.e. 25% of the paid-up capital for the year ended 31st March, 2010, subject to approval of the shareholders at the ensuing Annual General Meeting of the company. The total outflow due to dividend payment for the current year will be Rs. 124.54 Lacs which includes dividend distribution tax of Rs. 18.09 Lacs.

Your directors propose to transfer the amount of Rs. 100.00 Lacs (Previous year 70.00 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.

3. OPERATIONS

The year under review shows marginal increase in the net sales and other income. The net sales & other income of the company during the year marginally increased to Rs. 80.99 Crores against Rs. 80.79 Crores of the previous financial year.

The profit before tax increased by about 5% to Rs. 14.89 Crores from Rs. 14.24 Crores of the previous financial year. The profit after tax has increased by 5% to Rs. 9.57 Crores from Rs. 9.11 Crores of the previous financial year.

4. 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 had overall banking limits of Rs. 16.86 Crores to capture its fund requirements which have been reduced to Rs. 12.88 Crores as your company is sufficiently funded from the internal accruals. At present, the company is not utilizing any of the funded limits as sanctioned by State Bank of India.

5. POSTAL BALLOT FOR SELLING OF VALVE DIVISION

Your company has obtained the approval of shareholders by way of postal ballot procedure for selling of valve division on a going concern basis as a slump sale to CIRCOR Flow Technologies India Private Limited for a consideration of approx. Rs. 22 Crores by way of Business Purchase Agreement dated 01/04/2010. The transfer / sale of business has taken effect on 01/06/2010.

Mr. Tehmul B. Sethna was appointed as a scrutinizer for conducting the postal ballot. He had submitted his report to the company and the results of the postal ballot were declared on 04/05/2010 and resolutions were passed with 99.90% majority.

6. MANAGEMENT DISCUSSION AND ANALYSIS

- (a) **Industry Structure and Developments:** The year has started with the midst of the global crisis, financial melt down and adverse business conditions as Indian economy growth rate remains below the average level. The government has taken several stimulus measures like cut in excise duty rates, change in interest rates etc. As a result of the same the market sentiments improved in the part of the year.

Engineering Business:

The global economic crisis did impact the continuous growth of your company. However the impact was minimized due to backlog of orders on hand. Your company has gone forward in the "balance of plant supply" for power plants by now supplying complete condensing packages comprising of surface condensers, C.E. pumps, gland steel condensers, air evacuation systems, low pressure feed water heaters and high pressure feed water heaters. The company has bagged orders from prestigious OEM's like Jebson & Jebson, Malayasia and GE Oil & Gas, France.

Food Business:

BCool has added several new products to its portfolio this year. To move away for the volatility of commodity prices, the focus for this year has been preliminarily on food colours, food essences, soya sauce and distilled vinegar. Moreover, this year the food division has also been able to add new countries to its export oriented business. With an increased capacity this year, we have been able to offer our customers faster delivery and improved quality. BCool has also started retailing as an established brand in 2 major supermarkets in the U.A.E. The food division will continue to develop new products in the face of rising food costs. We aim to significantly increase our customer base whilst furthering strong brand recognition this year.

- (b) **Segment-wise Performance:** Your company has divided the business in two segments i.e. Engineering Division and Food Division.

Your company's performance has remained constant in their engineering division as the current year sales has remained more or less the same.

The food business of your company is facing competition and increase in the raw material prices. The sale has increased by 10% in the current year.

- (c) **Outlook:** The Indian economy is getting back to the growth path. The demand of the products will grow in the coming years as the engineering industry is growing with good pace. In the export segment, there are no changes in demand as the markets have not improved at the international level. Notwithstanding the above your company has continued its innovations in the product chain and technology upgradation has resulted in the cost effective production. Your company is an established player in the engineering industry for its products and it offers to introduce new products to maintain its leadership position and to deliver profitable growth.

The utilization of the sale proceeds of the valve division in growth of the main business of the vacuum systems and evaporators will generate handsome profits. Entering into turnkey based projects related to vacuum systems will improve the growth line of the company.

The fourth unit will give additional capacity to the company which will be functional in the next year.

- (d) **Opportunities and threats:** The company has cash reserves which can be used for the development of the company's existing business line. The additional capacity for production will prove to be helpful for catering to better and critical jobs. The orders are coming with ease as markets are now stabilized. As the engineering sector is not badly affected by the downturn and your company is away from the recession, the growth prospects are on good track. There are opportunities for growth as the government has set the platform for improving the performances of the economy.

The continuous increase in the steel prices in the last few years has put pressures on the margins of the company but your company, as you are aware, is in the customized engineering goods manufacturing which helps to maintain its existing margins.

- (e) **Internal control systems and risk management:** 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 maintains appropriate internal systems of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorised uses or disposition. Company policy, guidelines and procedures are in place to ensure that all transactions are authorised and recorded correctly as well as to provide for adequate checks and balances.

The internal control system together with the external auditors reviews the effectiveness and efficiency of these systems and procedures. The audits are finalised on basis of internal risk assessment.

- (f) **Human Resources and Industrial Relations:** The board wishes to express its deep appreciation to all employees in your company for their contributions to your company during the year.

The company has employed 199 personnel as at 31/03/2010 out of which 50 employees were transferred to CIRCOR w.e.f. 01/06/2010 as per the Business Purchase Agreement with the same terms and conditions of the employment as in your company. All the employees are having the required qualifications to perform their jobs.

The industrial relations scenario in your company remains stable. The company gives priority to the training and development of the employees.

7. EXPORTS AND TECHNOLOGY DEVELOPMENTS

Exports for the year were at Rs.18.09 Crores as compared to Rs. 15.57 Crores for the previous year increasing by almost 16% compared to the last year. The export business is growing with the increased demand in the international markets for the engineering products.

Due to technological advancements, your company has derived benefits like improvements in the quality of the current products, cost reductions, development of new and critical products with development of new designs for its products.

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. Samuel F. Croll - III, 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 31st March, 2010 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 this 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. AUDITORS

M/s. Apaji Amin & Co., Chartered Accountants retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The notes to the accounts referred to in the Auditors' report are self-explanatory and, therefore, do not call for any further comments.

15. 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.

16. 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 : 31/07/2010

S. 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
1.	Research & Development (R&D)	
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
2.	Technology absorption, adaptation and innovation	
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:

- On Sale of Products Rs. 17,47,04,059

Foreign Exchange Outgo:

- On Foreign Travel Rs. 6,21,604
- On Subscription Rs. 76,720
- On Purchase of Materials Rs. 1,21,94,566
- On purchase related to spares for plant & Machinery Rs. 3,59,769
- Payment of Dividend Rs. 9,99,000
- Technical consultancy expenses Rs. 2,30,393
- Equipment repairs expenses Rs. 48,454

TOTAL

Rs. 1,45,30,506

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, 2010.

Sr. No.	Name	Designation	Remuneration* (Rs.)	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	73,72,067	B.Com.	31	01/12/1991	64	J.N. Marshall Ltd. - Branch Manager
2.	Percy X. Avari	Whole-Time Director	35,75,200	Mech. Engg.	21	01/12/1991	42	---
3.	Shanaya S. Mody	Whole-Time Director	35,75,200	B.A. (Arts) & M.SC (IERHRM)	4	01/04/2006	29	---

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

For and on behalf of the Board,

Place : Ahmedabad
Date : 31/07/2010

S. 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

The company believes in and has consistently practiced good Corporate Governance and is committed to provide value to all its stakeholders. The company adheres to the best practices for the better performance of corporate governance. The policy of good corporate governance includes code of practice, environment, disclosures, audit and internal control.

The company's corporate governance conforms to all regulatory and legal requirements as per clause 49 of the Listing Agreement with the stock exchanges.

2. BOARD OF DIRECTORS

The Board of Directors ("the Board") of the company oversees the business operations led by the non-executive and independent Chairman. The Managing Director regularly updates the Board about the ongoing business, operational strategies and long term prospects of the company. The Board offers their views and comments on the business strategy as and when required.

(a) Composition of Board

The company's board consists of 10 members out of whom 3 members are executive directors, 2 members are Non-executive and 5 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	5	4	No	NIL	NIL
Mr. Sorab R. Mody (Managing Director)	Promoter & Executive	5	5	Yes	NIL	NIL
Mr. Mohib N. Khericha	Non-Executive & Independent	5	5	Yes	4	2 / 2
Mr. Samuel W. Croll-III	Non-Executive	5	0	No	NIL	NIL
Mr. Dady K. Contractor	Non-Executive & Independent	5	1	No	5	4 / 1
Mrs. Sheila S. Mody	Non-Executive	5	5	Yes	NIL	NIL
Mrs. Houtoxi F. Contractor	Non-Executive	5	1	No	NIL	NIL
Mr. Percy X. Avari	Executive	5	5	Yes	NIL	NIL
Mr. Harbhajansingh B. Khalsa	Non-Executive & Independent	5	5	No	NIL	NIL
Ms. Shanaya S. Mody	Executive	5	5	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 31st March, 2010 are as follows:

Name of Directors	Sitting Fees (Rs.)	Salaries, Perquisites & other Allowances (Rs.)	Commission (Rs.)	Total (Rs.)
Dr. Nanalal C. Mehta (Chairman)	73,000	NIL	NIL	73,000
Mr. Sorab R. Mody (Managing Director)	NIL	29,04,000	44,68,067	73,72,067
Mr. Mohib N. Khericha	93,000	NIL	NIL	93,000
Mr. Samuel W. Croll-III	NIL	NIL	NIL	NIL
Mr. Dady K. Contractor	10,000	NIL	NIL	10,000
Mrs. Sheila S. Mody	98,000	NIL	NIL	98,000
Mrs. Houtoxi F. Contractor	10,000	NIL	NIL	10,000
Mr. Percy X. Avari	NIL	35,75,200	NIL	35,75,200
Mr. Harbhajansingh B. Khalsa	93,000	NIL	NIL	93,000
Ms. Shanaya S. Mody	NIL	35,75,200	NIL	35,75,200

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

During the year under review, five Board meetings were held on following dates:

30 April 2009	31 July 2009	27 October 2009	28 January 2010
01 April 2010			

3. REMUNERATION COMMITTEE

The remuneration Committee reviews and makes recommendations on annual salaries, performance linked incentive, perquisites and other employment conditions of Executive directors.

The Remuneration Committee comprises of three non-executive and independent directors. The present members of the committee are Mr. Mohib N. Khericha, Dr. Nanalal C. Mehta and Mr. Harbhajansingh B. Khalsa.

Only one meeting of remuneration committee was held on 31st July, 2009 and all members have attended the meeting.

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 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 terms of reference includes reviewing of internal control system, investigation into the matters as may be specified by the Board or on its own findings, review of the quarterly and audited results and to report to the Board about any adverse qualification from the Auditors of the company. The Audit Committee has held discussions with the external and internal auditors of the company.

The Chairman of the Audit Committee has attended the Annual General Meeting of the company.

Details of Audit Committee meetings and attendance:

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

30 April 2009 31 July 2009 27 October 2009 28 January 2010

Mr. Mohib N. Khericha and Mr. Harbhajansingh B. Khalsa were present in all the meetings and Dr. Nanalal C. Mehta was absent in meeting held on 27th October 2009, except this meeting he has attended all the meetings.

5. SHAREHOLDERS' GRIEVANCE COMMITTEE

The Shareholders' Grievance committee comprises of Dr. Nanalal C. Mehta (Non-Executive & Independent Director), Mr. Percy X. Avari and Mrs. Sheila S. Mody. The Committee looks into various matters relating to:

- Expeditious redressal of investors grievances;
- Transfer and transmission of shares;
- Issue of duplicate share certificates;
- Review of shares dematerialised;
- All other matters related to shares.

During the year under review, 11 complaints were received from shareholders. All the complaints were resolved and no complaint is pending with the company.

6. SHARE TRANSFER COMMITTEE

During the year under review, share transfer committee met 24 times. All valid requests for share transfers received during the year have been acted upon and there were no shares pending for transfer as on 31st March, 2010. Both the members were present in all the meetings.

7. GENERAL BODY MEETINGS

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

Date	Venue	Time	Special resolution passed, if any
29 September 2009	C/1-39/13/16 G.I.D.C., Naroda, Ahmedabad – 382 330	9.30 A M	Yes (2 Nos.)
29 September 2008	C/1-39/13/16 G.I.D.C., Naroda, Ahmedabad-382 330	9.30 A M	No
26 September 2007	C/1-39/13/16 G.I.D.C., Naroda, Ahmedabad-382 330	9.30 A M	Yes (2 Nos.)

8. DISCLOSURES

- There were 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 Notes Forming Parts of Accounts in this Annual Report.

- During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance on any matter related to the capital markets.
- 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.
- Code of Conduct for Board of Directors were circulated and approved by the Board. All the Board members and senior management personnel have affirmed compliances with the said code for the year ended 31st March, 2010.
- A certificate from the Managing Director and Financial Controller on the financial statements of the company in terms of clause 49 of the Listing Agreement with the stock exchanges was placed before the Board and the same forms part of this 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.
- Mazda Limited has complied with mandatory requirements of Corporate Governance Code. The Board would review implementation of non-mandatory requirements of Corporate Governance Code in due course of time. Auditors' certificate regarding compliance of Corporate Governance Code for the financial year 2009-10 is annexed to this report.

9. BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

- 1) **Mr. Samuel W. Crol- III, Director of the company retires by rotation and being eligible offers himself for re-appointment.**

Mr. Samuel Croll-III aged 61 years, is CEO of the Croll Reynolds Company Inc. He has done his B.A. and M.A. from Skidmore College, Yale University. His vast experience in the field of engineering products and business relationship with Croll Reynolds since 1992 helps the company to grow at global level.

He is not a director in any other company except Mazda Limited in India. He is not holding any membership/ chairmanship in any company in India.

He is also a CEO of Croll Reynolds International Inc. who is holding 4,99,500 equity 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 63 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 5,700 equity shares in your company as on 31st March, 2010.

- 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 57 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 31st March, 2010.

10. 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 www.mazdalimited.com
- Presentation made to Institutional Investors or to Analysts No
- Whether Management Discussion and Analysis Report is a part of Annual Report or not Yes

11. GENERAL SHAREHOLDERS INFORMATION

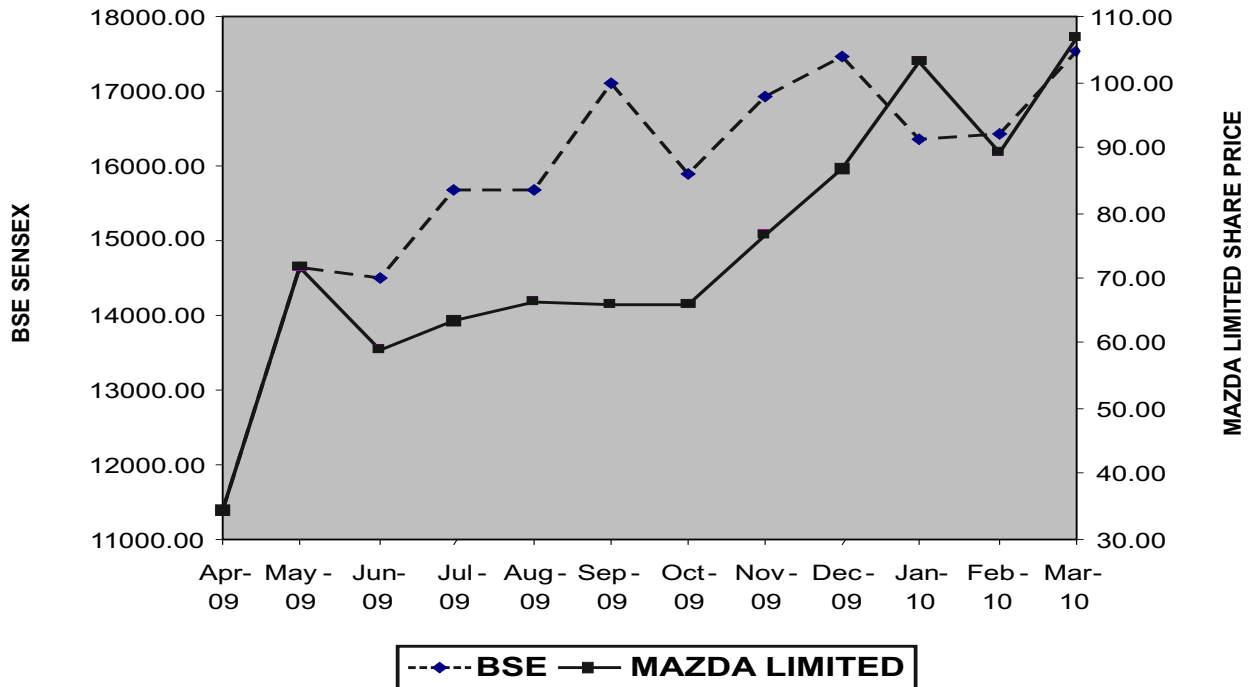
- AGM - Date Tuesday, 28th September, 2010
- - Time 9.30 AM
- - Venue C/1-39/13/16 G.I.D.C., Naroda, Ahmedabad- 382 330
- Financial Calendar (Tentative) April 2010 to March 2011
 - (a) First Quarter Results Last week of July 2010
 - (b) Second Quarter Results Last week of October 2010
 - (c) Third Quarter Results Last week of January 2011
 - (d) Fourth Quarter Results Last week of April 2011
 - (e) Results for the year ending March 2011 (Audited) Last week of July 2011
- Date of Book Closure 17th September, 2010 to 24th September, 2010 (Both days inclusive)
- Dividend Payment Date (Tentative) 15th October, 2010
- Listing on Stock Exchanges
 - Bombay Stock Exchange Limited
 - Ahmedabad Stock Exchange Limited
 Listing fees for the period 2010-2011 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
- Dematerialisation of shares and liquidity 85.82% of the paid-up capital has been dematerialised as on March 31, 2010.
- Plant Location
 - Unit-I** C/1-39/13/16 GIDC, Naroda, Ahmedabad- 382 330
 - 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
- Address for correspondence
 - Mazda Limited - Corporate Office:**
650/1, Mazda House, Panchvati 2nd 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 2009 to March 2010:

Month	Bombay Stock Exchange Limited (BSE)	
	High	Low
April, 2009	45.90	31.00
May, 2009	76.70	39.00
June, 2009	81.15	55.60
July, 2009	70.00	54.00
August, 2009	68.00	55.00
September, 2009	72.50	61.05
October, 2009	73.00	64.60
November, 2009	79.40	62.00
December, 2009	91.50	72.15
January, 2010	117.95	83.25
February, 2010	109.30	82.65
March, 2010	108.70	84.00

Source: BSE Website

- **Stock Price Performance in comparison to BSE Sensex**



- **Shareholding pattern as on March 31,2010**

Categories	No. of Shares held	% of Total Shareholding
Promoter's Holding		
Promoters and its group (Indian)	12,11,548	28.45
Foreign Promoters	NIL	NIL
Sub-Total	12,11,548	28.45
Non-promoter's Holding		
Banks & Financial Institutions	10,800	0.25
Private Corporate Bodies	5,61,063	13.18
Indian Public	18,95,722	44.52
NRIs	79,367	1.86
Foreign Company	4,99,500	11.73
Sub-Total	30,46,452	71.55
Grand-Total	42,58,000	100.00



• **Distribution of shareholding as on March 31, 2010**

Shareholding	Shareholders		No. of shares	
	Folios	% of total Nos.	Shares	% of total shares
Less than 500	4139	87.99	5,11,633	12.02
501 to 1000	259	5.50	2,13,848	5.02
1001 to 2000	147	3.13	2,25,728	5.30
2001 to 3000	43	0.91	1,07,815	2.53
3001 to 4000	20	0.43	72,854	1.71
4001 to 5000	17	0.36	80,186	1.88
5001 to 10000	35	0.74	2,56,979	6.04
10001 and above	44	0.94	27,88,957	65.50
Total	<u>4704</u>	<u>100.00</u>	<u>42,58,000</u>	<u>100.00</u>

For and on behalf of the Board,

Place : Ahmedabad
Date : 31/07/2010

S. 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 31st March, 2010 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 : 31/07/2010

C. J. BHAGWAGAR
Financial Controller

S. 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 31st March, 2010.

Place : Ahmedabad

Date : 31/07/2010

S. R. MODY
Managing Director

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 March 31, 2010 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 31st March, 2010, 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 : 31/07/2010

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 31st March, 2010, 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 31st March, 2010 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 and with reference to Note No. 12 regarding gratuity and leave encashment as per AS -15 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 31st March, 2010.
 - 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 : 31/07/2010

**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. The Company does not have any formal internal audit system, however the Company has an adequate internal control system commensurate with its size and nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956.
9. In respect of statutory dues:

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 31st March, 2010 for a period of more than six months from the date of becoming payable.
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 explanatory 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 : 31/07/2010

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



BALANCE SHEET AS AT 31ST MARCH, 2010

SR. NO.	PARTICULARS	SCHEDULE	AS AT 31/03/2010 Rs.	AS AT 31/03/2009 Rs.
	SOURCES OF FUNDS			
I	SHAREHOLDERS' FUNDS			
	SHARE CAPITAL	A	4,25,80,000	4,25,80,000
	RESERVES & SURPLUS	B	<u>38,19,49,246</u>	<u>29,83,07,468</u>
			42,45,29,246	34,08,87,468
II	BORROWED FUNDS			
	SECURED LOANS	C	28,52,794	4,05,53,021
	UNSECURED LOANS	D	<u>15,00,000</u>	<u>15,00,000</u>
			43,52,794	4,20,53,021
III	DEFERRED TAX LIABILITY		1,75,52,278	1,54,37,290
	TOTAL		<u>44,64,34,318</u>	<u>39,83,77,779</u>
	APPLICATION OF FUNDS			
I	FIXED ASSETS	E		
	GROSS BLOCK		20,80,50,320	19,19,19,461
	LESS : DEPRECIATION		<u>7,57,03,409</u>	<u>6,56,25,329</u>
			13,23,46,911	12,62,94,132
	CAPITAL WORK IN PROGRESS		<u>1,32,70,210</u>	---
			14,56,17,121	12,62,94,132
II	INVESTMENTS	F	4,57,47,860	3,000
III	CURRENT ASSETS, LOANS & ADVANCES			
	INVENTORIES	G	15,00,41,517	13,83,29,420
	DEBTORS	H	14,71,87,731	20,12,40,900
	CASH & BANK BALANCES	I	3,01,85,153	20,44,210
	LOANS, ADVANCES & DEPOSITS	J	<u>20,12,43,122</u>	<u>15,93,32,126</u>
			52,86,57,522	50,09,46,656
	LESS: CURRENT LIABILITIES & PROVISIONS			
	CURRENT LIABILITIES	K	13,23,84,798	12,09,95,515
	PROVISIONS	L	<u>14,12,03,387</u>	<u>10,78,70,494</u>
			27,35,88,185	22,88,66,009
	NET CURRENT ASSETS		25,50,69,337	27,20,80,647
	TOTAL		<u>44,64,34,318</u>	<u>39,83,77,779</u>

NOTES FORMING PARTS OF ACCOUNTS

M

THE SCHEDULES REFERRED TO ABOVE AND THE NOTES THEREON FORMAN INTEGRAL PART OF THE ACCOUNTS

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
DIRECTOR

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

CYRUS J. BHAGWAGAR
FINANCIAL CONTROLLER

NISHITH C. KAYASTH
COMPANY SECRETARY

PLACE : AHMEDABAD
DATE : 31/07/2010

PLACE : AHMEDABAD
DATE : 31/07/2010



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

SR. NO.	PARTICULARS	SCHEDULE	YEAR ENDED 31/03/2010 Rs.	YEAR ENDED 31/03/2009 Rs.
I.	INCOME			
	GROSS SALES		85,26,85,247	87,46,08,083
	LESS : EXCISE DUTY		<u>4,90,94,916</u>	<u>6,93,90,916</u>
	NET SALES		80,35,90,331	80,52,17,167
	OTHER INCOME	N	<u>63,11,351</u>	<u>27,09,005</u>
			<u>80,99,01,682</u>	<u>80,79,26,172</u>
	INCREASE/(DECREASE) IN STOCK OF SEMI-FINISHED & FINISHED GOODS		<u>19,49,088</u>	<u>(3,82,40,149)</u>
	TOTAL - I		<u>81,18,50,770</u>	<u>76,96,86,023</u>
II	EXPENDITURE			
	MANUFACTURING & OTHER EXPENSES	O	50,12,81,867	46,91,34,708
	ADMINISTRATIVE & SELLING EXPENSES	P	15,02,42,892	14,49,70,188
	INTEREST	Q	1,04,274	25,67,746
	DEPRECIATION	E	<u>1,13,18,297</u>	<u>1,06,05,041</u>
	TOTAL - II		<u>66,29,47,330</u>	<u>62,72,77,683</u>
III	PROFIT BEFORE TAX (I-II)		14,89,03,440	14,24,08,340
IV	LESS: PROVISION FOR TAXATION			
	CURRENT INCOME TAX		4,96,90,000	4,54,56,000
	DEFERRED TAX		21,14,988	46,31,354
	FRINGE BENEFIT TAX		---	8,27,795
	WEALTH TAX		52,069	---
	EXCESS/(SHORT) PROVISION OF INCOME TAX		<u>13,83,739</u>	<u>4,11,545</u>
			<u>5,32,40,796</u>	<u>5,13,26,694</u>
V	PROFIT AFTER TAX (III-IV)		9,56,62,644	9,10,81,646
VI	PRIOR PERIOD & EXTRA ORDINARY ITEMS		4,33,252	18,85,628
VII	PROFIT FOR THE YEAR (V+VI)		9,60,95,896	9,29,67,274
	BALANCE OF SURPLUS BROUGHT FORWARD		<u>24,17,03,781</u>	<u>16,56,99,801</u>
	SURPLUS AVAILABLE FOR APPROPRIATION		<u>33,77,99,677</u>	<u>25,86,67,075</u>
VIII	APPROPRIATIONS			
	TRANSFER TO GENERAL RESERVE		1,00,00,000	70,00,000
	PROPOSED DIVIDEND		1,06,45,000	85,16,000
	DIVIDEND TAX		18,09,118	14,47,294
	BALANCE CARRIED TO BALANCE SHEET		<u>31,53,45,559</u>	<u>24,17,03,781</u>
	TOTAL		<u>33,77,99,677</u>	<u>25,86,67,075</u>
	BASIC/DILUTED EARNINGS PER SHARE		<u>22.47</u>	21.39
	(refer notes to account Point No. 6 of Schedule M)			

NOTES FORMING PARTS OF ACCOUNTS

M

THE SCHEDULES REFERRED TO ABOVE AND THE NOTES THEREON FORMAN INTEGRAL PART OF THE ACCOUNTS

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
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PARTNER
MEMBERSHIP NO. 35476

CYRUS J. BHAGWAGAR
FINANCIAL CONTROLLER

NISHITH C. KAYASTH
COMPANY SECRETARY

PLACE : AHMEDABAD
DATE : 31/07/2010

PLACE : AHMEDABAD
DATE : 31/07/2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	Year ended 31/03/2010	Year ended 31/03/2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax & Extra Ordinary Items	14,89,03,440	14,24,08,340
Adjusted for :		
Depreciation	1,13,18,29	1,06,05,041
Interest income	(10,37,759)	(15,53,003)
Rent Paid	39,82,058	19,91,791
Donation Given	25,50,100	74,000
Profit / Loss on Sale of Assets	27,172	1,86,044
Dividend on Mutual Funds	(14,90,600)	---
Unrealised foreign exchange gain / loss	11,11,046	---
Interest and finance charges	11,42,033	41,20,749
Exchange Rate Difference	(47,748)	(75,35,358)
	1,75,54,599	78,89,264
Operating Profits before working capital changes	16,64,58,039	15,02,97,604
Working capital adjustments :		
Debtors	5,40,53,169	(8,95,59,390)
Inventories	(1,17,12,097)	2,95,57,704
Other Receivables	(59,47,212)	(2,40,85,846)
Creditors	48,46,893	(68,67,077)
Unrealised foreign exchange gain / loss	(11,11,046)	---
Other Payables	31,09,520	1,30,47,299
	4,32,39,227	(7,79,07,310)
Cash generated from operations	20,96,97,266	7,23,90,294
Direct Taxes paid	(5,28,14,648)	(4,67,84,404)
Cash Flow before Extra ordinary Items	15,68,82,618	2,56,05,890
Extraordinary Items	(65,32,158)	54,69,567
	15,03,50,460	3,10,75,457
NET CASH FROM OPERATING ACTIVITIES	15,03,50,460	3,10,75,457
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,02,38,125)	(1,92,70,394)
Sale of fixed assets	66,900	28,77,179
Investments in Mutual Funds	(4,57,44,860)	---
Loss on sale of Mutual Funds	(16,238)	---
Dividend received on Mutual Funds	14,90,600	---
Interest received	10,37,759	15,53,003
	(7,34,03,964)	(1,48,40,212)
NET CASH USED IN INVESTING ACTIVITIES	(7,34,03,964)	(1,48,40,212)

PARTICULARS	Year ended 31/03/2010	Year ended 31/03/2009
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long term Borrowings from Bank	(47,31,655)	(24,01,326)
Working Capital Loans from Bank	(3,29,68,571)	(17,11,332)
Interest paid	(11,42,033)	(41,20,749)
Dividend tax paid	(14,47,294)	(10,85,471)
Dividend Paid	(85,16,000)	(63,87,000)
NET CASH FROM FINANCING ACTIVITIES	(4,88,05,553)	(1,57,05,878)
Net increase in Cash & Cash Equivalents (A+B+C)	2,81,40,943	5,29,367
Add : Cash & Cash Equivalents as at 01/04/2009	20,44,210	15,14,843
Cash & Cash Equivalents as at 31/03/2010	3,01,85,153	20,44,210

Notes :

1. 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.
2. All figures shown in brackets are outflow.
3. 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 APAJI AMIN & CO.,
CHARTERED ACCOUNTANTS,
Firm Registration No. 100513W**

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

PLACE : AHMEDABAD
DATE : 31/07/2010

FOR AND ON BEHALF OF THE BOARD

**SORAB R. MODY
MANAGING DIRECTOR**

**CYRUS J. BHAGWAGAR
FINANCIAL CONTROLLER**

PLACE : AHMEDABAD
DATE : 31/07/2010

**SHEILA S. MODY
DIRECTOR**

**NISHITH C. KAYASTH
COMPANY SECRETARY**

**MOHIB N. KHERICHA
DIRECTOR**



SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	AS AT 31/03/2010 Rs.	AS AT 31/03/2009 Rs.
SCHEDULE - A : SHARE CAPITAL		
AUTHORISED 50,00,000 EQUITY SHARES OF RS.10/- EACH	5,00,00,000	5,00,00,000
ISSUED AND SUBSCRIBED 42,58,000 EQUITY SHARES OF RS.10/- EACH FULLY PAID-UP	4,25,80,000	4,25,80,000
TOTAL	4,25,80,000	4,25,80,000
SCHEDULE - B : RESERVES & SURPLUS		
BALANCE IN PROFIT & LOSS ACCOUNT	31,53,45,559	24,17,03,781
SHARE PREMIUM ON EQUITY WARRANT	3,00,00,000	3,00,00,000
GENERAL RESERVE :		
OPENING BALANCE	2,20,10,750	
ADD : TRANSFER FROM P&L A/C	1,00,00,000	2,20,10,750
CAPITAL RESERVE	4,24,937	4,24,937
CAPITAL BUYBACK RESERVE	41,68,000	41,68,000
TOTAL	38,19,49,246	29,83,07,468
SCHEDULE - C : SECURED LOANS		
TERM LOAN FROM SBI	---	18,81,842
<u>WORKING CAPITAL LOANS</u> (Refer below note no.1)		
SBI - EPC A/C	---	1,00,80,734
SBI - CHEQUE PURCHASE	---	6,03,355
SBI - OD A/C (CP LINKED WORKING CAPITAL LOAN)	---	2,22,84,482
LOAN FROM OTHER BANKS (Refer below note no.2)	28,52,794	57,02,607
TOTAL	28,52,794	4,05,53,021
Notes :		
1.	Cash credit facility, Term Loan, Export Packing Credit, Bill purchase facility and Cheque Purchase 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.	
2.	Loan from other banks are related to vehicle & Crain loans which are hypothecated against vehicles / Crain.	
SCHEDULE - D : UNSECURED LOANS		
FIXED DEPOSIT FROM DIRECTOR	15,00,000	15,00,000
TOTAL	15,00,000	15,00,000

SCHEDULE - E : DEPRECIATION

SR. NO.	PARTICULARS	GROSS BLOCK		DEPRECIATION		NET BLOCK			
		AS ON 01/04/09	ADDITIONS / TRANSFER	DEDUCTIONS / TRANSFER	AS ON 31/03/10	FOR THE YEAR	ADJUSTMENT / TRANSFER	AS ON 31/03/10	AS ON 31/03/09
1.	Factory Shed (Unit-I)	62,02,459	2,22,277	---	64,24,736	2,11,033	---	34,22,646	29,90,846
2.	Factory Shed (Unit-II)	2,28,80,653	15,16,328	---	2,43,96,981	7,84,771	---	53,10,502	1,83,54,922
3.	Factory Shed (Odhav-Unit-III)	38,91,221	3,80,547	---	42,71,768	1,36,615	---	2,09,534	38,18,302
4.	Office Building (1st/2nd floor)	36,71,845	---	---	36,71,845	59,851	---	1,03,081	35,68,764
5.	Factory Building (Food Div)	74,44,889	5,03,787	---	79,48,676	16,47,887	---	19,08,516	60,40,160
6.	Plant & Machinery (Engineering)	5,66,90,365	39,19,620	---	6,06,09,985	27,83,102	---	1,66,18,256	4,39,91,729
7.	Plant & Machinery (Food Division)	41,14,369	31,58,696	---	72,73,065	4,73,431	---	7,29,719	65,43,346
8.	R & D Machinery (Engineering)	31,76,911	---	---	31,76,911	23,83,467	---	25,34,370	6,42,541
9.	R & D Equipment (Biotech)	8,91,105	---	---	8,91,105	3,17,455	---	3,59,782	5,31,323
10.	Electrical Installation	91,42,093	8,57,769	---	99,99,862	35,48,863	---	40,03,408	59,96,454
11.	Electrical Installation (Odhav-Unit-III)	3,09,668	---	---	3,09,668	9,027	---	23,736	2,85,932
12.	Furniture & Fixtures	1,11,46,034	6,96,388	---	1,18,42,422	7,34,759	---	50,30,308	68,12,114
13.	Office Equipments	62,82,618	8,75,494	---	71,58,112	3,17,761	---	29,43,776	42,14,336
14.	Office Equipments (Guest House)	2,25,002	---	---	2,25,002	10,688	---	66,299	1,58,703
15.	Vehicles	1,77,09,731	24,30,527	8,37,052	1,93,03,206	15,22,327	7,59,218	65,78,077	1,27,25,129
16.	Computers	1,04,74,277	9,68,048	---	1,14,42,325	11,47,207	---	69,18,455	45,23,870
17.	Patterns	21,52,052	1,12,430	---	22,64,482	2,51,320	6,408	12,27,943	10,36,539
18.	Technical Design & Drawing	1,04,99,392	---	---	1,04,99,392	4,98,721	---	70,77,102	34,22,290
19.	Technical Know-How	1,00,99,904	---	---	1,00,99,904	7,92,959	4,74,591	88,63,000	12,36,904
20.	Computer Software	49,14,873	13,26,000	---	62,40,873	8,87,144	---	17,74,899	44,65,974
	TOTAL	19,19,19,461	1,69,67,911	8,37,052	20,80,50,320	1,13,18,297	12,40,217	7,57,03,409	13,23,46,911
	PREVIOUS YEAR	17,26,49,067	2,04,85,995	12,15,601	19,19,19,461	1,06,05,041	38,81,781	6,56,25,329	12,62,94,132
	Capital Work-in-Progress								
	Factory Shed (Navmit-Unit-IV)	---	1,18,00,460	---	1,18,00,460	---	---	---	1,18,00,460
	Computer	---	14,69,750	---	14,69,750	---	---	---	14,69,750

PARTICULARS	ASAT 31/03/2010 Rs.	ASAT 31/03/2009 Rs.
SCHEDULE - F : INVESTMENTS		
<u>LONG TERM INVESTMENT - UNQUOTED</u>		
100 EQUITY SHARES OF RS.30/- EACH OF BOMBAY MERCANTILE CO-OPERATIVE BANK LTD.	3,000	3,000
<u>CURRENT INVESTMENTS - QUOTED (Refer Note No: 16)</u>		
(3047350.332 Units of Rs. 10/- each) SBI-SHDF-SHORT TERM- INSTITUTIONAL PLAN-WEEKLY DIVIDEND	3,07,44,860	---
(265652.229 Units of Rs. 10/- each) SBI-MAGNUM MONTHLY INCOME PLAN GROWTH OPTION	50,00,000	---
(322148.3429 Units of Rs. 10/- each) SBI-MAGNUM INCOME PLUS FUND - INVESTMENT PLAN- GROWTH	50,00,000	---
(145900.204 Units of Rs. 10/- each) SBI-MAGNUM EQUITY FUND - DIVIDEND	50,00,000	---
TOTAL	<u>4,57,47,860</u>	<u>3,000</u>
SCHEDULE - G: INVENTORIES		
RAW MATERIALS - ENGINEERING	8,04,22,353	7,23,33,906
RAW MATERIALS - FOOD DIVISION	84,37,559	69,10,672
SEMI FINISHED GOODS - ENGINEERING	3,59,13,489	3,67,64,447
SEMI FINISHED GOODS - FOOD DIVISION	1,74,915	8,38,653
FINISHED GOODS - ENGINEERING	2,18,58,249	1,85,01,307
FINISHED GOODS - FOOD DIVISION	1,06,842	---
CONSUMABLE STORES & SPARES - ENGINEERING	31,28,110	29,80,435
TOTAL	<u>15,00,41,517</u>	<u>13,83,29,420</u>
SCHEDULE - H : DEBTORS		
(UNSECURED - CONSIDERED GOOD, UNLESS OTHERWISE STATED)		
OUTSTANDING FOR MORE THAN SIX MONTHS	2,59,78,194	1,50,35,843
OTHER DEBTORS	12,12,09,537	18,62,05,057
TOTAL	<u>14,71,87,731</u>	<u>20,12,40,900</u>
SCHEDULE - I : CASH & BANK BALANCES		
CASH ON HAND	3,85,441	5,34,974
<u>BANK BALANCES WITH SCHEDULE BANKS IN CURRENT ACCOUNT</u>		
BANK BALANCE	2,89,06,733	4,58,161
BANK BALANCES IN DIVIDEND A/CS	7,11,799	5,86,370
EEFC ACCOUNT	1,81,180	4,64,705
TOTAL	<u>3,01,85,153</u>	<u>20,44,210</u>



PARTICULARS	ASAT 31/03/2010 Rs.	ASAT 31/03/2009 Rs.
SCHEDULE - J : LOANS, ADVANCES & DEPOSITS (UNSECURED - CONSIDERED GOOD, UNLESS OTHERWISE STATED)		
<u>ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED</u>		
ADVANCES RECOVERABLE IN CASH OR KIND	1,16,66,221	67,94,896
GRATUITY INVESTMENT FUND	1,64,56,794	1,25,70,561
FOREIGN CURRENCY RECEIVABLE	34,32,875	---
PREPAID EXPENSES	14,65,752	6,96,745
LOAN & ADVANCES TO EMPLOYEES	24,00,738	30,50,444
ACCRUED INTEREST ON FD WITH SBI	43,949	2,00,787
DEPOSITS		
BALANCE WITH EXCISE AUTHORITIES	76,05,515	98,75,083
DEPOSITS AGAINST BANK GUARANTEES	1,12,10,831	1,05,00,000
SECURITY DEPOSITS AGAINST PROPERTY	90,00,000	90,00,000
OTHER DEPOSITS	37,57,901	53,25,173
ADVANCE TAXES	13,42,02,546	10,13,18,438
TOTAL	<u>20,12,43,122</u>	<u>15,93,32,126</u>
SCHEDULE - K : CURRENT LIABILITIES		
ADVANCES FROM CUSTOMERS	1,98,70,363	1,84,89,218
SUNDRY CREDITORS - DUES TO MICRO, SMALL & MEDIUM ENTERPRISE	---	---
SUNDRY CREDITORS - DUES TO OTHERS	7,54,81,199	7,06,34,306
UNCLAIMED DIVIDEND	7,11,799	5,86,370
FORWARD CONTRACTS	34,32,875	---
MANAGING DIRECTORS COMMISSION PAYABLE	44,68,067	42,77,832
OTHER CURRENT LIABILITIES	2,84,20,495	2,70,07,789
TOTAL	<u>13,23,84,798</u>	<u>12,09,95,515</u>
SCHEDULE - L : PROVISIONS		
PROVISION FOR INCOME TAX	12,71,46,000	9,63,56,000
PROVISION FOR FRINGE BENEFIT TAX	15,51,200	15,51,200
PROVISION FOR WEALTH TAX	52,069	---
PROPOSED DIVIDEND	1,06,45,000	85,16,000
PROVISION FOR DIVIDEND TAX	18,09,118	14,47,294
TOTAL	<u>14,12,03,387</u>	<u>10,78,70,494</u>



SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

PARTICULARS	YEAR ENDED 31/03/2010 Rs.	YEAR ENDED 31/03/2009 Rs.
SCHEDULE - N : OTHER INCOME		
DISCOUNT	---	12,406
GAIN ON FORWARD CONTRACTS	7,77,800	---
PACKING CHARGES INCOME	5,82,369	---
MISC. INCOME	5,100	1,79,731
EXPORT INCENTIVE INCOME	6,85,366	---
EQUIPMENT REPAIR INCOME	27,70,116	25,16,868
DIVIDEND INCOME	14,90,600	---
TOTAL	63,11,351	27,09,005
SCHEDULE - O : MANUFACTURING & OTHER EXPENSES		
RAW MATERIAL CONSUMPTION	39,70,86,166	37,08,87,306
POWER & FUEL EXPENSES	61,40,172	71,20,445
EXCISE & CUSTOM DUTY	20,20,489	13,46,018
FACTORY CONSUMABLE EXPENSES	1,17,08,387	1,70,15,105
FACTORY RENT	18,82,058	9,68,760
INSPECTION & TESTING CHARGES	25,04,747	29,39,188
INWARD FREIGHT & CARTING CHARGES	63,91,428	38,59,385
LABOUR CHARGES	6,49,43,600	5,57,58,176
REPAIRS & MAINTENANCE (PLANT & MACHINERY)	33,53,274	41,71,883
WAGES	52,51,546	50,68,442
TOTAL	50,12,81,867	46,91,34,708
SCHEDULE - P : ADMINISTRATIVE & SELLING EXPENSES		
<u>ADMINISTRATION EXPENSES</u>		
AUDIT FEES	3,25,000	2,50,000
BANK CHARGES	34,31,929	47,30,960
DONATION	25,50,100	74,000
EXCHANGE RATE DIFFERENCE	24,31,588	(75,35,358)
INSURANCE EXPENSES	32,28,867	24,30,028
LEASE, LICENSE FEES & RENT	21,00,000	10,23,031
MUNICIPAL TAX	5,53,888	4,34,177
CONVEYANCE EXPENSES	14,52,974	13,47,841
TRAVELING EXPENSES (EQUIP. REPAIRS)	55,31,898	50,19,195
TRAVELING EXPENSES (SALES)	44,00,552	23,33,120
FOREIGN TRAVELING EXPENSES	14,35,552	21,23,227
TELEPHONE, INTERNET EXPENSES	18,89,395	17,49,364
ELECTRICITY EXPENSES (OFFICE)	5,87,969	6,00,296
REPAIR & MAINTENANCE (BUILDING)	11,70,911	4,81,438
REPAIR & MAINTENANCE (OTHERS)	13,69,250	24,32,829
LOSS ON SALE OF FIXED ASSETS	10,934	1,86,044
LOSS ON SALE OF MUTUAL FUNDS	16,238	---
PRINTING & STATIONERY EXPENSES	14,22,103	13,24,256
OTHER ADMINISTRATIVE & SELLING EXPENSES	1,05,78,485	1,24,39,755

PARTICULARS	YEAR ENDED 31/03/2010 Rs.	YEAR ENDED 31/03/2009 Rs.
STAFF EXPENSES		
SALARIES, BONUS & COMMISSION	5,95,93,615	5,42,32,356
CONTRIBUTION TO PROVIDENT & OTHER FUNDS	47,03,554	47,98,260
STAFF WELFARE EXPENSES	15,97,983	18,32,578
STAFF TRAINING EXPENSES	1,88,752	16,150
DIRECTORS SITTING FEES	3,77,000	3,14,000
LEGAL & PROFESSIONAL EXPENSES		
CONSULTANCY EXPENSES	65,31,607	40,67,274
LEGAL EXPENSES	23,63,687	17,03,206
SELLING & DISTRIBUTION EXPENSES		
ADVERTISEMENT EXPENSES	5,06,714	6,82,573
SALES TAX EXPENSES	52,269	26,15,953
EXHIBITION EXPENSES	98,770	---
EQUIPMENT REPAIR EXPENSES	6,04,832	15,83,540
DEBIT/CREDIT BALANCES WRITTEN OFF	(3,12,575)	56,93,930
LIQUIDATED DAMAGES	75,36,037	1,15,45,480
OUTWARD FREIGHT & CHARGES	97,70,645	1,27,66,078
SALES COMMISSION EXPENSES	1,21,42,369	1,16,74,607
TOTAL	15,02,42,892	14,49,70,188
 SCHEDULE - Q : INTEREST		
INTEREST ON SBI - BILL/ CHEQUE PURCHASE	---	22,466
INTEREST ON SBI - CASH CREDIT	94,768	27,57,586
INTEREST ON SBI - EXPORT PACKING CREDIT	2,98,180	2,34,296
INTEREST ON VEHICLE LOANS	5,10,734	5,29,810
INTEREST ON FIXED DEPOSITS	1,65,000	1,65,000
INTEREST ON SBI-TERM LOAN	73,351	4,11,591
SUB TOTAL	11,42,033	41,20,749
LESS : INTEREST EARNED	10,37,759	15,53,003
TOTAL	1,04,274	25,67,746

SCHEDULE – M: NOTES FORMING PART OF ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING CONVENTION

i) **Basis of Preparations of Financial Statements :**

The financial statements have been prepared and presented under the historical cost convention on accrual and going concern basis of accounting in accordance with the accounting principles generally accepted in India (“GAAP”) and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and with the relevant provisions of the Companies Act, 1956.

ii) **Use of Estimates :**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

B. SALES

- i) Sales are inclusive of Excise duty charged to customers and net of discount and rebates allowed.
- ii) Revenue is recognised based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery :
- **Sale:** Revenue from sale of goods is recognised when the substantial risks and rewards of ownership is transferred to the buyer under the terms of contract.
 - **Interest:** Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable
 - **Other Income:** Revenue in respect of other income is recognised when no significant uncertainty as to measurability or collectability exists.
 - **Services:** Income from services is recognised when the services are rendered.
 - **Dividend:** Dividend Income is recognised when the right to receive dividend is established.

C. FIXED ASSETS

Fixed assets are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition for its intended use, less accumulated depreciation.

D. DEPRECIATION

Depreciation on fixed assets is provided on straight line method at the rates provided by Schedule XIV to the Companies Act, 1956.

Depreciation on additions / disposal of fixed assets during the year is provided on pro-rata basis according to the period during which the assets are put to use.

E. 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 are valued at lower of cost and net realisable 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.

F. RESEARCH & 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.

G. EMPLOYEE BENEFITS

Short Term employee benefits

- i) Employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognised in the period in which the employee renders the related service. Short-term employee benefits are recognised as an expense of the undiscounted amount in the profit and loss account of the year.
- ii) Post employment and other long term employee benefits are recognised as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

H. INVESTMENTS

Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in nature.

Investments that readily realisable and intended to be held for not more than one year from the date on which such investment is made are classified as current investment. Current investments are stated at lower of cost or fair value, which is determined for each individual investment.

I. TRANSACTIONS IN FOREIGN CURRENCIES

- 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 recognised 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 recognised in the Profit and Loss Account.

J. 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.

K. INTANGIBLE ASSET

Intangible asset is stated at cost of acquisition less accumulated amortisation. Technical know how is amortised over the period of six years.

L. BORROWING COST

Borrowing cost attributable to the acquisition, construction or production of a qualifying asset are capitalized as a part of the cost of that asset. Borrowing cost which are not attributable to the qualifying assets, are recognised as an expense in the period in which they are incurred.

M. TAXATION

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 Indian Income Tax Act. Deferred income taxes reflect the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred income tax is measured based on the income tax rate and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are only recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets, if any. It recognises unrecognized deferred tax assets 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 realised.

N. LEASE

Lease Payments under Operating Leases are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

O. EARNINGS PER SHARE

The Company reports basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20 – Earnings per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year.

P. 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.

Q. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

NOTES TO ACCOUNTS

1. CONTINGENT LIABILITY

2009-10 2008-09
Rs. in Lacs Rs. in Lacs

i) Income tax:

1. Block assessment order for which Income-tax department is in appeal	---	20.46
2. For assessment year 2000-01 for which Income-tax department is in appeal	5.23	5.23
3. For assessment year 1999-2000 for which Income-tax department is in appeal	2.22	2.22
4. For assessment year 1998-99 for which Income-tax department is in appeal	---	3.08
5. For assessment year 1996-97 for which Income-tax department is in appeal	---	4.05
Total	7.45	35.04

ii) Sales tax:

Disputed demand of sales tax for the assessment year 2000-01	---	3.26
--	-----	------

2. SALE OF VALVE DIVISION

The Company has sold its valve division as a going concern on a slump sale basis to Circor Flow Technologies India Private Limited as per Business Purchase Agreement dated 01/04/2010 for Rs. 22 Crores approx. This figure is subject to changes in the net current assets & net fixed assets as on closer date.

3. MANAGERIAL REMUNERATION

2009-10 2008-09
Rs. in Lacs Rs. in Lacs

1. Salary & Perquisites	95.85	83.55
2. LTA	4.69	4.31
3. Commission to Managing Director	44.68	42.78

4. PAYMENT TO STATUTORY AUDITORS

2009-10 2008-09
Rs. **Rs.**

1. For Audit Work	2,75,750	2,20,600
2. For Income Tax Matters	27,575	---
3. For Tax Audit Work	82,725	55,150
4. For Certifications	62,320	38,666
Total	4,48,370	3,14,416

5. CURRENT ASSETS, LOANS AND ADVANCES

In the opinion of the Board, all current assets, loans and advances and other receivables are approximately of the value stated if realised in the ordinary course of business.

6. EARNINGS PER SHARE

In accordance with the Accounting Standard 20 (AS-20) 'Earnings Per Share' issued by the Institute of Chartered Accountants of India, the Company reports basic and diluted Earnings Per Share (EPS). Basic EPS is computed by dividing the net profit or loss for the year by the number of equity shares outstanding during the year.

The Earnings Per Share is computed as under:

Particulars	2009-10	2008-09
1. Net Profit for the year (Rs. in Lacs)	956.63	910.82
2. Number of Equity Shares	42,58,000	42,58,000
3. Nominal Value of Shares (Rs.)	10	10
4. Earnings Per Share (Rs.)	22.47	21.39

7. Information regarding Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

8. 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, Valve Products 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:

(Rs. in lacs)

Particulars	Engineering Products	Food Products	Total
Revenues	7780.58	318.43	8099.01
Identifiable Operating Expenses	5429.17	326.47	5755.64
Segmental Operating Income	2351.41	(8.04)	2343.37
Unallocable Interest Charges			1.04
Unallocable Expenses			853.30
Total Profit before Tax			1489.03
Taxes			532.40
Net Profit for the Year			956.63

Secondary Segment Information:

(Rs. in lacs)

Particulars	Domestic	Overseas	Total
Revenues	6289.91	1809.10	8099.01
Identifiable Operating Expenses	4544.05	1211.59	5755.64
Segmental Operating Income	1745.86	597.51	2343.37
Unallocable Interest Charges			1.04
Unallocable Expenses			853.30
Total Profit before Tax			1489.03
Taxes			532.40
Net Profit for the Year			956.63

9. ADDITIONAL INFORMATION PURSUANT TO PARA. 3,4(C) AND 4(D) OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956

a) Licensed capacity/installed Capacity - Not ascertainable

b) Sales (Net of Excise) by class of goods (As certified by the Management):

Sr. No.	Description of Goods	Unit	Qty	31/03/2010 Value (Rs. in lacs)	Qty	31/03/2009 Value (Rs. in lacs)
1.	Vacuum Systems	Set	1220	3730.26	1314	4568.61
2.	Desuperheaters	Nos	71	213.60	120	368.52
3.	PRS/PRDS	Nos	31	633.48	43	322.93
4.	Control Valves/ HPRV	Nos	133	272.25	174	371.19
5.	Pressure Reducing Valves	Nos	22	9.57	49	21.00
6.	Safety Valves	Nos	16	7.95	6	2.05
7.	Gate/Stop Valves	Nos	32	2.43	32	6.44
8.	Vacuum Pumps	Nos	249	247.78	224	246.90
9.	Pollution Control Equip.	Nos	16	419.64	15	24.63
10.	Valve Positioners	Nos	20	10.98	27	9.00
11.	Chill Vactor	Nos	24	89.52	36	92.46
12.	Rotajectors	Nos	4	16.91	14	91.16
13.	Evaporators	Nos	24	1063.26	15	1023.20
14.	Turbine By-Pass Valve	Nos	6	197.88	3	41.38
15.	Thermo Compressors	Nos	113	244.83	80	122.95
16.	B Cool (Food Division)	Kgs.	543555	290.92	540049	287.80
17.	B Cool (Food Division)	LTRS	13176	22.26	1169.32	2.85
18.	Others (Including Spares)	Nos	---	562.38	---	449.08
TOTAL*				8035.90		8052.17

* Total of Rs 8035.90 Lacs and 8052.17 Lacs are other than scrap & purchase return.

c) Materials Consumed :

Sr. No.	Items	Unit	Qty	31/03/2010 Value (Rs. in lacs)	Qty	31/03/2009 Value (Rs. in lacs)
Engineering Division						
1.	Round Bar	MT	150.64	208.68	124.11	244.18
2.	Pipes & Tubes	MTRS	246663.18	616.13	332345.43	675.42
3.	Plates	MT	1605.34	981.79	1438.66	1015.76
4.	Profiles & Circles	MT	141.97	230.73	103.99	171.03
5.	Flanges	NOS	29081.00	258.88	28956.00	301.23
6.	Castings	MT	23.61	26.73	17.25	19.07
7.	Stop Valves	NOS	6797.00	455.18	6702.00	398.79
8.	Instruments	NOS	2963.00	681.27	2149.00	386.18
9.	Bought Outs & Others	---	---	259.35	---	271.20
Food Division						
1.	Raw Material	KGS	520666.30	169.53	492920.09	129.21
2.	Packing Material	NOS	3002940.00	80.73	2728022.00	94.42
3.	Packing Material	KGS	898.61	1.86	1276.37	2.38
TOTAL				3970.86		3708.87

d) Closing Stock :

Sr. No.	Items	Unit	Qty	31/03/2010 Value (Rs. in lacs)	Qty	31/03/2009 Value (Rs. in lacs)
1.	Round Bar	MT	30.17	60.76	29.06	78.89
	Pipes & Tubes	MTRS	25,926.06	109.66	88,964.18	174.53
	Plates	MT	149.01	138.01	168.88	147.75
	Profiles & Circles	MT	4.49	14.91	4.63	12.40
	Flanges	NOS	4,312.00	52.70	4,754.00	56.94
	Castings	MT	3.31	4.25	5.12	7.10
	Stop Valves	NOS	2,174.00	98.77	1,779.00	86.62
	Instruments	NOS	429.00	70.76	611.00	58.32
	Others	---	---	285.69	---	130.59
	FOOD DIVISION					
	Raw Materials	KGS	62,820.61	33.06	41,174.33	22.93
	Packing material	NOS	19,54,301.00	45.57	16,73,338.00	39.11
	Packing material	KGS	2,335.87	5.74	2,784.98	7.07
	Total			919.88		822.25
2.	Semi finished goods : Engg. Div.			359.13		367.64
	Semi finished goods : Food Div.			1.75		8.39
3.	Finished goods : Engg. Div.			218.58		185.01
	Finished goods : Food Div.			1.07		---
	TOTAL			1,500.41		1,383.29

e) Information regarding Imports, Exports and other matters:

Sr. No.	Description	31/03/2010 Value (Rs.)	31/03/2009 Value (Rs.)
1.	CIF Value of Imported Raw materials	1,21,94,566	67,88,669
2.	Capital Goods	---	5,11,659
3.	Repairs & Maintenance	3,59,769	---

f) Details of Earnings in Foreign Currency:

	31/03/2010 (Rs.)	31/03/2009 (Rs.)
FOB Value of Export of Goods	17,47,04,059	15,21,88,988

g) Expenditure incurred in foreign currency :

Sr. No.	Description	31/03/2010 Value (Rs.)	31/03/2009 Value (Rs.)
1.	Foreign Travel	6,21,604	16,67,608
2.	Subscriptions	76,720	36,309
3.	Technical Consultancy Expenses	2,30,393	4,40,160
4.	Dividend	9,99,000	7,49,250
5.	Equipment Repairs Expenses	48,454	53,837
	TOTAL	19,76,171	29,47,164

h) Consumption of Raw Materials:

Sr. Description No.	%	31/03/2010 Value (Rs. in Lacs)	%	31/03/2009 Value (Rs. in Lacs)
1. Indigenous	98.53	3912.48	97.83	3,628.37
2. Imported	1.47	58.38	2.17	80.50
TOTAL	100.00	3970.86	100.00	3708.87

10. DEFERRED TAX

The major components and its movement of deferred tax liabilities and deferred tax assets are set out below:

Particulars	31/03/2010 (Rs.)	31/03/2009 (Rs.)
Deferred Tax Liabilities:		
Related to fixed assets	1,77,94,493	1,60,00,050
Add: Gratuity	7,81,222	3,40,234
Closing balance	<u>1,85,75,715</u>	<u>1,63,40,284</u>
 Deferred Tax Assets:		
Less: Leave Encashment	<u>10,23,437</u>	9,02,994
TOTAL	10,23,437	9,02,994
 Net Deferred Tax Liability/Assets	<u><u>1,75,52,278</u></u>	<u><u>1,54,37,290</u></u>

11. RELATED PARTY DISCLOSURES

As per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below,

a) List of Related Parties	: Nature of Relationship
i) Ahura Controls Pvt. Ltd.	: Mrs. Sheila S. Mody, a Director of the Company is also the Managing Director of Ahura Controls Pvt. Ltd.
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	: Main 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, Main Promoter and Managing Director of the Company.
vi) Ms. Shanaya S. Mody	: Whole-Time Director and daughter of Mr. Sorab R. Mody, Main 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.

- b) 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).

(Rs. In lacs)

Sr. No.	Name of the Party	Nature of the Transaction	Amount of Transaction in 2009-10	Amount Outstanding as on 31/03/2010	Amount of Transaction in 2008-09	Amount Outstanding as on 31/01/2009
1.	Croll-Reynolds Co. Inc. New Jersey, U.S.A	Sale of goods	653.74	57.81	943.76	210.52
		Equipment Repairs Income	2.84	---	---	---
		Dividend payment	9.99	---	7.49	---
2.	Mr. Sorab R. Mody	Remuneration	29.04	---	29.04	---
		Rent paid	31.80	---	21.10	2.24
		Interest on fixed deposits	1.65	0.74	1.65	0.73
		Dividend payment	17.00	---	11.39	---
		Commission	44.68	44.68	42.78	42.78
3.	Mrs. Sheila S. Mody	Sitting Fees for Meetings	0.98	---	0.88	---
		Dividend payment	0.11	---	0.09	---
4.	Mr. Percy X. Avari	Remuneration	35.75	---	29.41	---
		Dividend payment	0.92	---	0.74	---
5.	Ms. Shanaya S. Mody	Remuneration	35.75	---	29.41	---
		Dividend payment	7.11	---	5.24	---
6.	H.T. Engineering (Guj.) Pvt. Ltd.	Purchase of raw materials	236.53	37.80	233.54	15.53
		Labour charges	19.37	1.26	25.70	1.17
7.	Tarapore Enterprise	Labour charges	61.71	6.54	71.51	2.37

12. Disclosure pursuant to Accounting Standard – 15 [Revised] "Employee Benefit"

The accounting liability on account of gratuity & leave (retirement benefit in the nature of defined benefits plan) is accounted as per AS-15 (revised 2005) dealing with employee benefits.

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service.

The leave wages are 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 on attaining superannuation age.

(Rs. In lacs)

	2009-2010		2008-2009	
	Pre. Leave	Gratuity	Pre. Leave	Gratuity
Change in the present value of the defined benefit obligation:				
Opening defined benefit obligation	26.57	115.70	20.86	94.58
Interest cost	2.19	9.54	1.56	7.09
Current service cost	7.56	12.30	5.54	9.12
Benefits paid	(5.73)	(0.97)	(5.43)	(10.72)
Actuarial (gain) /losses on obligation	6.68	5.01	4.03	15.62
Closing defined benefit obligation	37.27	141.58	26.57	115.70
a. Change in the fair value of plan assets:				
Opening fair value of plan assets	---	125.71	---	14.89
Expected return on plan assets	---	12.74	---	5.65
Contributions by employer	---	33.74	---	113.91
Benefits paid	---	(0.97)	---	(10.72)
Actuarial gains / (losses)	---	(5.47)	---	1.97
Management Charge	---	(1.18)	---	---
Closing fair value of plan assets	---	164.57	---	125.71

(Rs. In lacs)

	Pre. Leave	Gratuity	2009-2010 Pre. Leave	2008-2009 Gratuity
b. Actual return on plan assets:				
Expected Return on plan assets	---	12.74	---	5.65
Actuarial gain / (loss) on plan assets	---	(5.47)	---	1.97
Actual return on plan assets	---	7.27	---	7.62
c. Amount recognised in the balance sheet:				
(Assets) / Liability at the end of the year	37.27	141.58	26.57	115.70
Fair value of plan Assets at the end of the year	---	164.57	---	125.71
Difference	---	---	---	---
Unrecognised past Service cost	---	---	---	---
(Assets) / Liability recognised in the Balance Sheet	37.27	(24.17)	26.57	(10.01)
d. (Income) / Expenses recognised in the Profit & Loss Account statement:				
Current service cost	7.56	12.30	5.54	9.12
Interest cost on benefit obligation	2.19	9.55	1.56	7.09
Expected return on plan assets	---	(12.74)	---	(5.65)
Net actuarial (gain) / loss in the period	6.69	10.48	4.03	13.65
Net (benefit) / expense	16.44	19.59	11.13	24.21
e. Movement in the net liability recognised in Balance Sheet:				
Opening net liability	N.A.	N.A.	N.A.	N.A.
Expense as above [P&L Charge]	N.A.	N.A.	N.A.	N.A.
Benefits paid	N.A.	N.A.	N.A.	N.A.
(Assets) / Liability recognised in the Balance sheet	N.A.	N.A.	N.A.	N.A.
f. Principal actuarial assumptions as at Balance sheet date:				
Discount rate	8.25%	8.25%	7.50%	7.50%
[The rate of discount is considered based on market yield on Government Bonds having currency and terms consistence with the currency and terms of the post employment benefit obligations]				
Annual increase in salary cost	5.00%	5.00%	5.50%	5.50%
[The estimates of future salary increases considered in actuarial valuation, take account of inflation, Seniority, Promotion and other relevant factors such as supply and demand in the employment market]				
g. The Categories of plan assets as a % of total plan assets are:	N.A.	9.00%	N.A.	8.50%

13. 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:

(Rs. in Lacs)

	Amount 2009-10	Amount 2008-09
Lease Payments debited to the Profit And Loss Account	39.82	21.74
Future Minimum Lease Payments in Respect of non-cancelable leases	---	---
Amounts due within one year from the date of balance-sheet	16.50	12.00

14. Remittance in Foreign Currency on account of Dividend:

The Company has paid dividend in respect of shares held by non resident on Repatriation basis. The details of the same are given below:

	2009-10	2008-09
Year to which dividend relates	2008-2009	2007-2008
Number of non-resident shareholders to whom dividend has been remitted	1	1
Number of Equity Shares held by them	499500	499500
Remittance made by the Company in Foreign currency on account of dividend	999000	749250

- 15.** The Company has entered into foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to firm commitments and highly probable forecast transactions. The foreign currency exposures as at March,31, 2010 and the outstanding forward exchange contracts entered against the same and other future probable commitments are as follows :

Transactions in Foreign Currencies					
Particulars	Currency	Amount in Foreign Currencies in figures		Equivalent amount in Indian Currency in Rs. Lacs	
		Current Year	Previous year	Current Year	Previous year
Trade Receivables	USD	235322	510964	106.22	259.21
	EURO	391331	122039	236.99	82.31
Trade Payables	EURO	1940	18826	1.17	12.71
Advances from customers	USD	114481	16705	51.68	8.47
	EURO	---	22787	---	15.39
Bank Balance in EEFC Account	USD	4014	9107	1.81	4.65
Forward Exchange Contracts as at March, 31, 2010					
Forward exchange contracts outstanding	USD	75000	---	34.33	---

16. Schedule of Investments:

Particulars	As at 31st March, 2010		As at 31st March, 2009	
	Book Value	Market Value	Book Value	Market Value
Quoted Investments	4,57,44,860	4,52,97,361	---	---
Unquoted Investments	3,000	N.A.	3,000	N.A.
TOTAL	4,57,47,860	4,52,97,361	3,000	---

Investments purchased and sold during the year:

Particulars	Face Value (Rs.)	Nos.	Cost (Rs.)
SBI- SHDF- Short Term-Institutional Plan - Weekly Dividend	10	6039415.0190	6,08,87,599.21
SBI-SHF-Ultra Short Term Fund-Institutional Plan-Daily Dividend	10	3024316.8090	3,02,59,499.41
SBI-Magnum Insta Cash Fund- Daily Dividend Option	10	895573.1766	1,50,01,119.38
SBI-Magnum Monthly Income Plan- Growth Option	10	265652.2290	50,00,000.00
SBI-Magnum Income Plus Fund-Investment Plan- Growth	10	322148.3429	50,00,000.00
SBI-Magnum Equity Fund- Dividend	10	145900.2040	50,00,000.00

Particulars	As at 31st March, 2010		As at 31st March, 2009	
	Book Value	Market Value	Book Value	Market Value
<u>Quoted Investments</u>				
SBI-SHDF-Short Term-Institutional Plan -Weekly Dividend	3,07,44,860	3,08,18,463	---	---
SBI-Magnum Monthly Income Plan -Growth Option	50,00,000	50,94,386	---	---
SBI-Magnum Income Plus Fund- Investment Plan -Growth	50,00,000	50,07,506	---	---
SBI-Magnum Equity Fund -Dividend	50,00,000	43,77,006	---	---
	<u>4,57,44,860</u>	<u>4,52,97,361</u>	<u>---</u>	<u>---</u>

17. Balances of Sundry Debtors & Creditors are subject to confirmation.
18. Other income during the year has been set off against related expenses.
19. Previous year figures have been reclassified/regrouped wherever considered necessary to conform to the current year figures.

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

DIRECTORS

SORAB R. MODY
MANAGING DIRECTOR

SHEILAS. 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 : 31/07/2010

PLACE : AHMEDABAD
DATE : 31/07/2010



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.	14293	State Code	04
Balance Sheet	March 31, 2010	CIN No.	L29120GJ1990PLC014293

II Capital Raised during the year (Amount Rs. in Lacs)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III Position of Mobilisation and Deployment of Funds (Amount Rs. in Lacs)

Total Liabilities	4464.34	Total Assets	4464.34
<u>SOURCES OF FUNDS</u>			
Paid-up Capital	425.80	Unsecured Loans	15.00
Secured Loans	28.53	Deferred Tax Liability	175.52
Reserves & Surplus	3819.49		
<u>APPLICATION OF FUNDS</u>			
Net Fixed Assets	1456.17	Investments	457.48
Net Current Assets	2550.69	Miscellaneous Expenditure	Nil
Accumulated Losses	Nil		

IV Performance of the Company (Amount Rs. in Lacs)

Turnover (including other income)	8099.02	Total Expenditure	6629.47
Profit before Tax	1489.03	Profit after Tax	956.63
Earnings per Share	Rs. 22.47	Dividend Rate	25.00%

V Generic Names of three principal products of the Company (As per Monetary Terms)

<u>Product Description</u>	<u>Item Code No. (ITC Code)</u>
Vacuum Systems	84212900
Evaporators	84195090
PRS / PRDS	84811000



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 20th ANNUAL GENERAL MEETING of the company held at the Registered Office at C/1-39/13/16, GIDC, Naroda, Ahmedabad - 382 330, on Tuesday, 28th September, 2010.

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 20th ANNUAL GENERAL MEETING of the company to
be held on Tuesday, 28th September, 2010.

Signed this _____ day of _____ 2010

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.