



**21st ANNUAL REPORT
2010 - 2011**



MAZDA LIMITED

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BOARD OF DIRECTORS :

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

FINANCIAL CONTROLLER :

CYRUS J. BHAGWAGAR

COMPANY SECRETARY :

NISHITH C. KAYASTH

REGISTERED OFFICE :

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

BANKERS :

State Bank of India
Overseas Branch,
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 Twenty First 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, 27th September, 2011 at 09.30 a.m.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the Year ended 31st March, 2011 and the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend for the year ended on 31st March, 2011.
3. To appoint a Director in place of Dr. Nanalal C. Mehta, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Mohib N. Khericha, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. Dady K. Contractor, who retires by rotation and being eligible offers himself 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.

SPECIAL BUSINESS:

7. To consider, and if thought fit, to pass, with or without modification(s), the following resolutions as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of the Central Government, the remuneration payable to Mr. Sorab R. Mody on his re-appointment as a Managing Director with effect from 1st April 2011, for a period of five years be fixed at Rs. 36,00,000 p.a. plus 3% commission on profits of the company for the year as per draft of the agreement tabled before the meeting and initialed by the Chairman for the purpose of identification.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary any or all of the terms and conditions as approved vide this resolution as it deems fit from time to time which may have the effect of increasing the remuneration or perquisites or benefits within the limits as approved by the central government and for the purpose of giving effect to this resolution the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary expedient, usual or proper in the best interest of the Company.”

8. To consider, and if thought fit, to pass, with or without modification(s), the following resolutions as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of the Central Government, the remuneration payable to Mr. Percy X. Avari on his re-appointment as a Whole-Time Director with effect from 1st April 2011, for a period of five years be fixed at Rs. 36,00,000 p.a. plus 1% commission on profits of the company for the year as per draft of the agreement tabled before the meeting and initialed by the Chairman for the purpose of identification.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary any or all of the terms and conditions as approved vide this resolution as it deems fit from time to time which may have the effect of increasing the remuneration or perquisites or benefits within the limits as approved by the central government and for the purpose of giving effect to this resolution the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary expedient, usual or proper in the best interest of the Company.”

9. To consider, and if thought fit, to pass, with or without modification(s), the following resolutions as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of the Central Government, the remuneration payable to Mrs. Shanaya Mody Khatua on her re-appointment as a Whole-Time Director with effect from 1st April 2011, for a period of five years be fixed at Rs. 36,00,000 p.a. plus 1% commission on profits of the company for the year as per draft of the agreement tabled before the meeting and initialed by the Chairman for the purpose of identification.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary any or all of the terms and conditions as approved vide this resolution as it deems fit from time to time which may have the effect of increasing the remuneration or perquisites or benefits within the limits as approved by the central government and for the purpose of giving effect to this resolution the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary expedient, usual or proper in the best interest of the Company.”

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

By Order of the Board,

Date : 30/07/2011

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 16th September, 2011 to 23rd September, 2011 (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 15th September, 2011. 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 : 30/07/2011

Nishith Kayasth
Company Secretary



ANNEXURE TO NOTICE

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, following Explanatory Statement sets out material facts relating to the Special Business mentioned at Item No. 7, 8 and 9 in the accompanying Notice dated 30th July, 2011 and should be taken as forming part of the notice.

ITEM NO. 7

The agreement dated 1st December 2006 between Mr. Sorab R. Mody and company had set out the terms and conditions of re-appointment of Mr. Sorab R. Mody as Managing Director. As per the resolution passed in the Annual General Meeting held on 30th September, 2006, company had obtained approval of the Central Government under Section 269 & 198(4)/309(3) and 637AA of the Companies Act, 1956 for payment of salary and 3% commission on net profits of the company. As the said approval will expire on 30th November, 2011, the company proposes to renew his appointment with same terms and conditions subject to approval of the Central Government.

Since the said agreement will expire on 30th November 2011, it is proposed to re-appoint Mr. Sorab R. Mody as Managing Director as a pre-closure of the earlier agreement and re-appoint him for a period of 5 years commencing from 1st April, 2011 Subject to approval of the Central Government. The said remuneration is in excess of the limits as prescribed in the section 269 read with Schedule XIII of the Companies Act, 1956. Therefore, approval of central government will be sought. A resolution to this was passed by the Board of Directors in the meeting held on 30th July, 2011.

Since the period of earlier approval is about to expire and company is growing, the approval for a salary of Rs. 36,00,000 p.a. and 3% commission on profits for the five years is sought.

The terms and conditions of reappointment of Mr. Sorab R. Mody as Managing Director are set out in the draft agreement which is placed before the meeting. The important salient terms of draft agreement are as under:

- Mr. Sorab to hold office and act as a Managing Director of the company for a period of five years with effect from 1st April, 2011.
- Mr. Sorab to comply with all the directions which may from time to time be given by the Board and in all respects to conform with the regulations to be made by the Board and to well and faithfully serve the company and use his utmost endeavors to promote the interest thereof.
- Mr. Sorab to be entitled to exercise such powers on behalf of the company as may from time to time be lawfully entrusted to and conferred upon by the Board either alone or jointly with any other person or persons as the Board may determine.
- Mr. Sorab to receive the maximum remuneration and benefits as are prescribed from time to time subject to approval of the central government or any statutory modification thereof for the period commencing from 1st April, 2011 for five years.
 - (a) Salary : Rs.2,00,000/- per month.
 - (b) House Rent Allowance : Rs. 60,000/- per month.
 - (c) Perquisites as under reckoned on the basis of actual expenditure or liability incurred.
 - (i) Medical Benefits for Mr. Sorab and family: Reimbursement of the expenses actually incurred, the total cost of which to the company not to exceed one month's salary in a year.

- (ii) Leave Travel Allowance: Mr. Sorab and his family once in a year, subject to one month's salary.
- (iii) Statutory contribution to PF, FPF and statutory bonus as per the company rules.
- (d) Mr. Sorab will be paid 3% commission on the profits for the whole year as per the calculation prescribed in the Companies Act, 1956.
- (e) Mr. Sorab to be provided a car with chauffeur for use of company's business and a telephone at residence.
- (f) Terminal Benefits will be provided to Mr. Sorab as per the company rules.

The Salary, Allowances, Perquisites and commission mentioned above are subject to limits as approved by the Central Government.

- Mr. Sorab without the prior permission of the Board either during or after termination of the appointment hereunder, not to divulge or communicate to any person or persons (except to such of the employees of the company or any other duly authorised persons to whom the same could be divulged or communicated for the efficient conduct of the company's business) or himself make use of any of the company's secret or any other information which he may receive or obtain in relation to the company's affairs or to the working or any process or invention which is carried on or used by the company or any other matter which comes to his knowledge in the course of or by reason of his appointment with the company.

None of the Directors except Mr. Sorab R. Mody himself, Mrs. Shanaya Mody Khatua, and Mrs. Sheila S. Mody, being relatives, are interested or concerned in this resolution.

The draft agreement between the company and Mr. Sorab R. Mody is available for inspection by the members of the company at the registered office between 10.00 a.m. to 1.00 p.m. on any working day of the company upto the date of Annual General Meeting. The above statement may be treated as an abstract, as required pursuant to Section 302 of the Companies Act, 1956.

ITEM NO. 8

The agreement dated 1st April 2007 between Mr. Percy X. Avari and Company had set out the terms and conditions of appointment as Whole-Time Director which is further amended in the Annual General Meeting held on 29th September, 2009 with remuneration to be paid as per the Schedule XIII of the Companies Act, 1956. The company proposes to re-appoint Mr. Percy X. Avari as Whole-Time Director for five years with remuneration as prescribed in the agreement and 1% commission on net profits of the company subject to approval of the Central Government.

It was proposed to reappoint Mr. Percy X. Avari as Whole-Time Director as a pre-closure of the earlier agreement and re-appoint him for a period of 5 years commencing from 1st April, 2011 subject to approval of the Central Government. The said remuneration is in excess of the limits as prescribed in the section 269 read with Schedule XIII of the Companies Act, 1956. Therefore, approval of central government will be sought. A resolution to this was passed by the Board of Directors in the meeting held on 30th July, 2011.

Looking at the growth of the company in the past years and to provide suitable remuneration package which is commensurate with industry, approval for the remuneration with a salary of Rs. 36,00,000 p.a. and 1% commission on profits is sought.

The terms and condition of reappointment of Mr. Percy X. Avari as Whole-Time Director are set out in the draft agreement which is placed before the meeting. The important salient terms of draft agreement are as under:

- Mr. Percy to hold office and act as a Whole-Time Director of the company for a period of five years with effect from 1st April, 2011.
- Mr. Percy to comply with all the directions which may from time to time be given by the Board and in all respects to conform with the regulations to be made by the Board and to well and faithfully serve the company and use his utmost endeavors to promote the interest thereof.
- Mr. Percy to be entitled to exercise such powers on behalf of the company as may from time to time be lawfully entrusted to and conferred upon by the Board either alone or jointly with any other person or persons as the Board may determine.
- Mr. Percy to receive the maximum remuneration and benefits as are prescribed from time to time subject to approval of the Central Government or any statutory modification thereof for the period commencing from 1st April, 2011 for five years.
 - (a) Salary : Rs.2,00,000/- per month.
 - (b) House Rent Allowance : Rs. 60,000/- per month.
 - (c) Perquisites as under reckoned on the basis of actual expenditure or liability incurred.
 - (i) Medical Benefits for Mr. Percy and family: Reimbursement of the expenses actually incurred, the total cost of which to the company not to exceed one month's salary in a year.
 - (ii) Leave Travel Allowance: Mr. Percy and his family once in a year, subject to one month's salary.
 - (iii) Statutory contribution to PF, FPF and statutory bonus as per the company rules.
 - (d) Mr. Percy will be paid 1% commission on the profits for the whole year as per the calculation prescribed in the Companies Act, 1956.
 - (e) Mr. Percy to be provided a car with chauffeur for use of company's business and a telephone at residence.
 - (f) Terminal Benefits will be provided to Mr. Percy as per the company rules.

The Salary, Allowances, Perquisites and commission mentioned above are subject to limits as approved by the Central Government.

- Mr. Percy without the prior permission of the Board either during or after termination of the appointment hereunder, not to divulge or communicate to any person or persons (except to such of the employees of the company or any other duly authorised persons to whom the same could be divulged or communicated for the efficient conduct of the company's business) or himself make use of any of the company's secret or any other information which he may receive or obtain in relation to the company's affairs or to the working or any process or invention which is carried on or used by the company or any other matter which comes to his knowledge in the course of or by reason of his appointment with the company.

None of the Directors except Mr. Percy X. Avari himself is interested or concerned in this resolution.

The draft agreement between the company and Mr. Percy X. Avari is available for inspection by the members of the company at the registered office between 10.00 a.m. to 1.00 p.m. on any working day of the company upto the date of Annual General Meeting. The above statement may be treated as an abstract, as required pursuant to Section 302 of the Companies Act, 1956.

ITEM NO. 9

The agreement dated 1st April 2007 between Mrs. Shanaya Mody Khatua and Company had set out the terms and conditions of appointment as Whole-Time Director, which is further amended in the Annual General Meeting held on 29th September, 2009 with remuneration to be paid as per the Schedule XIII of the Companies Act, 1956. The company proposes to re-appoint Mrs. Shanaya Mody Khatua as Whole-Time Director for five years with remuneration as prescribed in the agreement and 1% commission on net profits of the company subject to approval of the Central Government.

It was proposed to reappoint Mrs. Shanaya Mody Khatua as Whole-Time Director as a pre-closure of the earlier agreement and re-appoint her for a period of 5 years commencing from 1st April, 2011 subject to approval of the Central Government. The said remuneration is in excess of the limits as prescribed in the section 269 read with Schedule XIII of the Companies Act, 1956. Therefore, approval of Central Government will be sought. A resolution to this was passed by the Board of Directors in the meeting held on 30th July, 2011.

Looking at the growth of the company in the current years and to provide suitable remuneration package which is commensurate with industry, approval for the remuneration with a salary of Rs. 36,00,000 p.a. and 1% commission on profits is sought.

The terms and conditions of reappointment of Mrs. Shanaya Mody Khatua as Whole-Time Director are set out in the draft agreement which is placed before the meeting. The important salient terms of draft agreement are as under:

- Mrs. Shanaya to hold office and act as a Whole-Time Director of the company for a period of five years with effect from 1st April, 2011.
- Mrs. Shanaya to comply with all the directions which may from time to time be given by the Board and in all respects to conform with the regulations to be made by the Board and to well and faithfully serve the company and use her utmost endeavors to promote the interest thereof.
- Mrs. Shanaya to be entitled to exercise such powers on behalf of the company as may from time to time be lawfully entrusted to and conferred upon by the Board either alone or jointly with any other person or persons as the Board may determine.
- Mrs. Shanaya to receive the maximum remuneration and benefits as are prescribed from time to time subject to approval of the central government or any statutory modification thereof for the period commencing from 1st April, 2011 for five years.
 - (a) Salary : Rs.2,00,000/- per month.
 - (b) House Rent Allowance : Rs. 60,000/- per month.
 - (c) Perquisites as under reckoned on the basis of actual expenditure or liability incurred.
 - (i) Medical Benefits for Mrs. Shanaya and family: Reimbursement of the expenses actually incurred, the total cost of which to the company not to exceed one month's salary in a year.
 - (ii) Leave Travel Allowance: Mrs. Shanaya and her family once in a year, subject to one month's salary.
 - (iii) Statutory contribution to PF, FPF and statutory bonus as per the company rules.
 - (d) Mrs. Shanaya will be paid 1% commission on the profits for the whole year as per the calculation prescribed in the Companies Act, 1956.



(e) Mrs. Shanaya to be provided a car with chauffeur for use of company's business and telephone at residence.

(f) Terminal Benefits will be provided to Mrs. Shanaya as per the company rules.

The Salary, Allowances, Perquisites and commission mentioned above are subject to limits as approved by the Central Government.

- Mrs. Shanaya without the prior permission of the Board either during or after termination of the appointment hereunder, not to divulge or communicate to any person or persons (except to such of the employees of the company or any other duly authorised persons to whom the same could be divulged or communicated for the efficient conduct of the company's business) or herself make use of any of the company's secret or any other information which she may receive or obtain in relation to the company's affairs or to the working or any process or invention which is carried on or used by the company or any other matter which comes to her knowledge in the course of or by reason of his appointment with the company.

None of the Directors except Mrs. Shanaya Mody Khatua herself, Mr. Sorab R. Mody, and Mrs. Sheila S. Mody, being relatives, are interested or concerned in this resolution.

The draft agreement between the company and Mrs. Shanaya Mody Khatua is available for inspection by the members of the company at the registered office between 10.00 a.m. to 1.00 p.m. on any working day of the company upto the date of Annual General Meeting. The above statement may be treated as an abstract, as required pursuant to Section 302 of the Companies Act, 1956.

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

By Order of the Board,

Date : 30/07/2011

Nishith Kayasth
Company Secretary



DIRECTORS' REPORT

To,
THE MEMBERS,
MAZDA LIMITED

Your Directors have pleasure in presenting the Twenty First Annual Report on the business and operations of the company along with the Audited Accounts for the year ended March 31, 2011.

1. FINANCIAL RESULTS

(Rs. in Lacs)

Sr. No.	Particulars	2010-11	2009-10
i.	Sales (excluding excise duty) and other Income	8471.05	8099.02
ii.	Profit before interest, depreciation and tax	1209.02	1603.26
iii.	Interest	8.86	(-) 1.04
iv.	Tax Expenses	(-) 288.10	(-) 532.41
v.	Cash Profit	929.78	1069.81
vi.	Depreciation	(-) 99.06	(-) 113.18
vii.	Prior period items	(-) 2.57	4.33
viii.	Valve division net profit	1073.49	---
ix.	Profit for the year	1901.64	960.96
x.	Balance of Profit brought forward	3153.46	2417.04
xi.	Total Profit available for appropriation	5055.09	3378.00
xii.	Transfer to general reserve	200.00	100.00
xiii.	Interim Dividend paid	149.03	---
xiv.	Proposed Dividend	149.03	106.45
xv.	Dividend Tax	50.08	18.09
xvi.	Profit carried to Balance Sheet	4506.95	3153.46

2. DIVIDEND

Your directors have approved the payment of special interim dividend of Rs. 3.50 per equity share in its Board Meeting held on 29th January, 2011 from the proceeds of slump sale of valve division.

Your directors now recommends a final dividend of Rs. 3.50 per equity share (previous year Rs. 2.50 per equity share) which amounts to Rs. 149.03 Lacs i.e. 35% of the paid-up capital for the year ended 31st March, 2011, subject to approval of the shareholders at the ensuing Annual General Meeting of the company. The total outflow due to dividend payment including interim dividend for the current year will be Rs. 348.14 Lacs which includes dividend distribution tax of Rs. 50.08 Lacs.

3. TRANSFER TO GENERAL RESERVE

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

4. OPERATIONS

The year under review shows increase in the net sales and other income. The net sales & other income of the company during the year increased to Rs. 84.71 Crores against Rs. 80.99 Crores of the previous financial year which amounts to increase of 4.60%.

The profit before tax from business activities decreased by about 25% to Rs. 11.19 Crores from Rs. 14.89 Crores of the previous financial year. The profit after tax has decreased by 14% to Rs. 8.18 Crores from Rs. 9.57 Crores of the previous financial year. This decrease is mainly due to increase in input material cost, labour cost and change in product mix.

5. SALE OF VALVE DIVISION

In the current year under review, your company has sold its valve division situated at Plot No. 8, Hitendranagar Sahakari Vasahat, Naroda, Ahmedabad to Circor Flow Technologies India Private Limited on a going concern basis as slump sale by way of Business Purchase Agreement dated 01/04/2010 and the transaction has taken place on 01/06/2010 for a value of Rs. 22 Crore subject to adjustment of Net Fixed Assets and Net Current Assets of the valve division as per the agreement. During the year company has received a first tranche payment of Rs. 18.70 Crore and the second and final payment will be received after two years of the transaction date after adjustments as stated in the Business Purchase Agreement. The capital gain and tax on capital gain is shown as extra ordinary item in the Profit and Loss Account.

6. 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 at present, has financial assistance in the form of working capital facilities from State Bank of India, Ahmedabad. Your company has overall banking limits of Rs. 12.88 Crores to capture its fund requirements. At present, the company is not utilizing any of the funded limits except non-funded based limits related to bank guarantees and letter of credit as sanctioned by State Bank of India. As your company is sufficiently funded from the internal accruals and cash accrual from sale of valve division, the company has invested in short term market instruments like mutual funds and debt funds.

During the year under review, ICRA has conducted the surveillance of credit facilities and upgraded the long term credit ratings from 'LBBB+' to 'LA-' and short term credit ratings from 'A2+' to 'A1'.

7. MANAGEMENT DISCUSSION AND ANALYSIS

- (a) **Industry Structure and Developments:** The economy has shown growth in the current year under review compared to the previous year. The overall situation is better than expected for the industry at large. However the growth forecast was downgraded as inflation is a serious concern for the economy.

Engineering Business:

Your company has ended the year with stable performance and retains its position in the volatile market. The engineering sector has sustained in this economy but overall growth prospects for this industry is expected downwards. Growth will be powered by the sectors like Crude Oil, Steel and Power and your company is focused in the business with these sectors mainly.

As stated earlier, we have started the supply of Balance of Plant Equipment for Power Plant Applications. Your company not only have supplied to Thermal Power Plants, but also to Solar Power Plants and Geo Thermal Power Plants. Your company is probably one of the few companies in India to supply the same. Geo Thermal equipment was supplied through Hindustan Turbo Machinery Limited for installation at a Geo Thermal Power Plant in Kenya. Solar Power Plant was supplied through Maxwatt Turbine Private Limited for installation at a Solar Power Plant in Alwar, Rajasthan.

Food Business:

During the year under review, **BCool has added several more customers to its portfolio. The focus on food colours and food essences has made your company the largest part of BCool sale. BCool has become supplier for many companies in the U.K. and U.S.A. To keep up with the increasing demand of an established brand name, your company has purchased new machineries to speed up the processes which results in cutting down manual labour. BCool has also started retailing as an established brand into two major supermarkets in the U.A.E. and with one major supermarket in the U.S.A. The focus this year for BCool will be private labeling and a push for our new products such as our sugar-free range developed last 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 the engineering division as the current year sales has remained more or less the same but the profit margins are affected due to increase in input material cost, labour cost and change in product mix.

The food business turnover has increased by 30% and business has turned into profits has earned a profit of Rs. 15.86 Lacs during the year.

- (c) **Outlook:** Your company is focused in the engineering sector and growth prospects are stable for the industry at large. In view of the opportunities available both in international as well as domestic market, your company's unique products in the pressure based systems are capable for the high growth as competition factor is too low in this business.

Your company has started supply of evaporation plants on turnkey basis, especially for the starch industries where the equipment is used for manufacture of Glucose, Malt Dextrin, Dextrose and High Maltose Syrup. These multi stage evaporation systems (Four Stage) are highly efficient systems which reduce the steam consumption by about 30% compared to the conventional three stage evaporation systems. The outlook for the development of evaporation system is very positive and your company has received good orders in this line of business.

Your company values its customer's business and aspires to create a world class product to serve the global market.

The construction part of the fourth unit is completed and your company is in process of acquiring machinery for its fourth unit. The plant will be operational in the month of December 2011. The generation of income will be started from this unit in the month of April 2012. The fourth unit will give us additional production capacity of around 15 to 20% to our overall production capacity.

- (d) **Opportunities and threats:** Indian economy is expected to grow at 9% during the next financial year, and your company is expecting the expansion and up-gradation of Power and Automobile industries, which will help your company's growth. The fourth unit will be operational in the next financial year which will provide ease in manufacturing of critical orders. As you are aware that your company is a debt-free company and we have invested in short –term funds and debt funds which are expected to earn returns at a fixed rate. The long-term expansion plans will be funded by these investments.

However rising inflation is a concern for your company as raw material prices are continuously increasing due to increase in the prices of coal and petroleum products. As steel is the main raw material for our company, variation in the steel prices will affect your company.

- (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:** It has been the tradition of the company to maintain excellent industrial relations at all levels. The company has maintained healthy relationship with the employees at all levels. In the year under review, we have signed a MoU with Directorate of Employment & Training, Gujarat for empowering skilled development sector in the Vibrant Gujarat Summit.

The company has employed 178 personnel as at 31/03/2011. All the employees are having the required qualifications to perform their jobs.

8. 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 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.

9. 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.

10. DIRECTORS

Dr. Nanalal C. Mehta, Chairman, who retires by rotation and being eligible offers himself for re-appointment.

Mr. Mohib N. Khericha, Director, who retires by rotation and being eligible offers himself for re-appointment.

Mr. Dady K. Contractor, Director, who retires by rotation and being eligible offers himself for re-appointment.

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

11. 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, 2011 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.

12. 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 the Corporate Governance Report.

13. 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.

14. 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.

15. 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.

16. APPRECIATION

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

17. CAUTIONARY NOTE

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

For and on behalf of the Board,

Place : Ahmedabad
Date : 30/07/2011

Sorab. R. Mody
Managing Director

ANNEXURE - A TO DIRECTORS' REPORT

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

FORM - B

Sr. No.	Particulars	Action taken
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. 22,23,25,230

Foreign Exchange Outgo:

- On Foreign Travel Rs. 9,40,363
- On Subscription Rs. 2,47,880
- On Purchase of Materials Rs. 14,41,388
- On Purchase related to spares for plant & Machinery Rs. 3,59,769
- Payment of Dividend Rs. 22,62,000
- Technical consultancy expenses Rs. 1,64,567
- Equipment repairs expenses Rs. 3,13,985

TOTAL **Rs. 53,70,183**

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, 2011.

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	61,17,754	B.Com.	32	01/12/1991	65	J.N. Marshall Ltd. - Branch Manager
2.	Percy X. Avari	Whole-Time Director	35,96,800	Mech. Engg.	22	01/12/1991	43	---
3.	Shanaya Mody Khatua	Whole-Time Director	35,96,800	B.A. (Arts) & M.SC (IERHRM)	5	01/04/2006	30	---

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

For and on behalf of the Board,

Place : Ahmedabad
Date : 30/07/2011

Sorab R. Mody
Managing Director



REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

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

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is about application of best management practices, compliance of law and adherence to ethical standards to achieve the ultimate goal of the company i.e. enhancing the shareholders' value and catering to the social responsibility to the society and environment at large.

Mazda Limited resolute in its commitment to conduct business in accordance with the highest ethical standards and sound corporate governance practices. The company believes that good corporate governance practice enhance the transparency in business and results into enhancing shareholders' values.

Company has complied with mandatory provisions of the Corporate Governance laid down in clause 49 of the Listing Agreement.

2. BOARD OF DIRECTORS

The Board of Directors ("the Board") of the company closely monitors the performance of the company and management. The Board itself is accountable to the shareholders as well as other stakeholders for the long-term value creation for the company. The management of your company is entrusted to the Managing Director, who is assisted by a Management Team and senior executives having rich experience and expertise in their respective fields.

(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	2	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	5	5/2
Mr. Samuel W. Croll-III	Non-Executive	5	0	No	NIL	NIL
Mr. Dady K. Contractor	Non-Executive & Independent	5	3	No	5	4 / 1
Mrs. Sheila S. Mody	Non-Executive	5	5	Yes	NIL	NIL
Mrs. Houtoxi F. Contractor	Non-Executive	5	0	No	NIL	NIL
Mr. Harbhajansingh B. Khalsa	Non-Executive & Independent	5	5	No	NIL	NIL
Mr. Percy X. Avari	Executive	5	5	Yes	NIL	NIL
Mrs. Shanaya Mody Khatua	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, 2011 are as follows:

Name of Directors	Sitting Fees (Rs.)	Salaries, Perquisites & other Allowances (Rs.)	Commission (Rs.)	Total (Rs.)
Dr. Nanalal C. Mehta (Chairman)	40,000	NIL	NIL	40,000
Mr. Sorab R. Mody (Managing Director)	NIL	29,04,000	32,13,754	61,17,754
Mr. Mohib N. Khericha	90,000	NIL	NIL	90,000
Mr. Samuel W. Croll-III	NIL	NIL	NIL	NIL
Mr. Dady K. Contractor	30,000	NIL	NIL	30,000
Mrs. Sheila S. Mody	98,000	NIL	NIL	98,000
Mrs. Houtoxi F. Contractor	NIL	NIL	NIL	NIL
Mr. Harbhajansingh B. Khalsa	90,000	NIL	NIL	90,000
Mr. Percy X. Avari	NIL	35,96,800	NIL	35,96,800
Ms. Shanaya Mody Khatua	NIL	35,96,800	NIL	35,96,800

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

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

29 April 2010	06 July 2010	31 July 2010	30 October 2010
29 January 2011			

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. There is no meeting held during the year under review.

4. AUDIT COMMITTEE

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

The Terms of Reference of the Audit Committee includes those specified under Clause 49 of the Listing Agreement with the stock exchanges as well as under section 292A of the Companies Act, 1956. The Audit Committee reviews the audit procedures, including audit report both of statutory and internal auditors. It looks into the system of financial reporting and internal control management. It ensures that financial and regulatory guidelines are followed properly.

Details of Audit Committee meetings and attendance:

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

29 April 2010 31 July 2010 30 October 2010 29 January 2011

Mr. Mohib N. Khericha and Mr. Harbhajansingh B. Khalsa were present in all the meetings and Dr. Nanalal C. Mehta was absent in meetings held on 31st July, 2010 and 30th October 2010.

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, 3 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, 2011. 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
28 September 2010	C/1-39/13/16 G.I.D.C., Naroda, Ahmedabad – 382 330	9.30 A M	No
29 September 2009	C/1-39/13/16 G.I.D.C., Naroda, Ahmedabad – 382 330	9.30 A M	Yes (2 Nos.)
29 September 2008	C/1-39/13/16 G.I.D.C., Naroda, Ahmedabad-382 330	9.30 A M	No

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, 2011.
- 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 2010-11 is annexed to this report.

9. BRIEF RESUME OF DIRECTORS SEEKING RE-APPOINTMENT

- 1) **Dr. Nanalal C. Mehta, Chairman of the company retires by rotation and being eligible offers himself for re-appointment.**

Dr. Nanalal C. Mehta aged 86 years, has been on the Board of the company since 1992. He has done his P.h.d. in Chemical Engineering from Purdue University, U.S.A. He has held the senior management positions in different multinational companies during his career. His last employment was with Union Carbide (India) Limited as General Sales Manager. His vast experience and knowledge in the field of management has immensely helped the company.

He is not holding any shares in your company.

- 2) **Mr. Mohib N. Khericha, Director of the company retires by rotation and being eligible offers himself for re-appointment.**

Mr. Mohib N. Khericha aged 59 years, has been on the Board of the company since 1992. He is a Chartered Accountant by profession and in active practice for over 29 years in the area of capital structuring, restructuring, financial management and loan syndication etc. He was the Chairman of the Capital Market Committee of Gujarat Chamber of Commerce and Industry during the year 2003-04. He is the Managing Director of the Chartered Capital and Investment Limited, a category – I Merchant Banker.

Details of directorship in other companies excluding private companies are as under:

- Chartered Capital And investment Limited, Managing Director
- Photoquip India Limited
- Chartered Logistics Limited
- Kirloskar Power Build Gears Limited
- T D Power Systems Limited

Details of Member/Chairmanship in other committees:

- Member of Shareholders' Grievance Committee in Chartered Capital and Investment Limited
- Chairman of Shareholders' grievance Committee and Audit Committee and member of Remuneration Committee of Photoquip India Limited
- Member of Audit Committee, Remuneration Committee and Investors' Grievance Committee of T D Power Systems Limited

His vast experience in the field of capital planning and restructuring has immensely helped the company in better financial management.

He is not holding any shares in your company.

3) Mr. Dady K. Contractor, Director of the company retires by rotation and being eligible offers himself for re-appointment.

Mr. Dady K. Contractor aged 83 years is a commerce graduate and a Certified Associate and Fellow of the Indian Institute of Bankers (IIB). He has served the Central Bank of India in various capacities and has retired as an Executive Director of it. He has a vast experience of over 42 years in the areas of Banking, Finance and Administration.

His details of the directorship in other companies are as under:

Details of directorship in other companies excluding private companies are as under:

- Jai Corp Limited
- The Victoria Mills Limited
- Zoroastrian Co-operative Bank Limited
- IL&FS Trust Company Limited
- Lupin Limited

Details of Member/Chairmanship in other committees:

- Member of Audit Committee of Jai Corp Limited
- Member of Audit Committee and Chairman of Investors' Grievance Committee of Lupin Limited
- Member of Audit Committee of IL&FS Trust Company Limited.

He is holding 5000 shares in your company.

10. MEANS OF COMMUNICATION

- | | |
|---|--|
| • Half-Yearly report sent to each household of shareholders | No |
| • Quarterly Results – Newspapers in which normally published | Business Standard (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, 27th September, 2011
- - Time 9.30 AM
- - Venue C/1-39/13/16 G.I.D.C., Naroda, Ahmedabad- 382 330

- Financial Calendar (Tentative) April 2011 to March 2012
 - (a) First Quarter Results Last week of July 2011
 - (b) Second Quarter Results Last week of October 2011
 - (c) Third Quarter Results Last week of January 2012
 - (d) Fourth Quarter Results Last week of April 2012
 - (e) Results for the year ending Last week of July 2012
March 2011 (Audited)

- Date of Book Closure 16th September, 2011 to 23rd September, 2011
(Both days inclusive)

- Dividend Payment Date (Tentative) 10th October, 2011

- Listing on Stock Exchanges
 - Bombay Stock Exchange Limited
 - Ahmedabad Stock Exchange Limited
 Listing fees for the period 2011-2012 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 90.86% of the paid-up capital has been dematerialised as on June 30, 2011.

- 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.

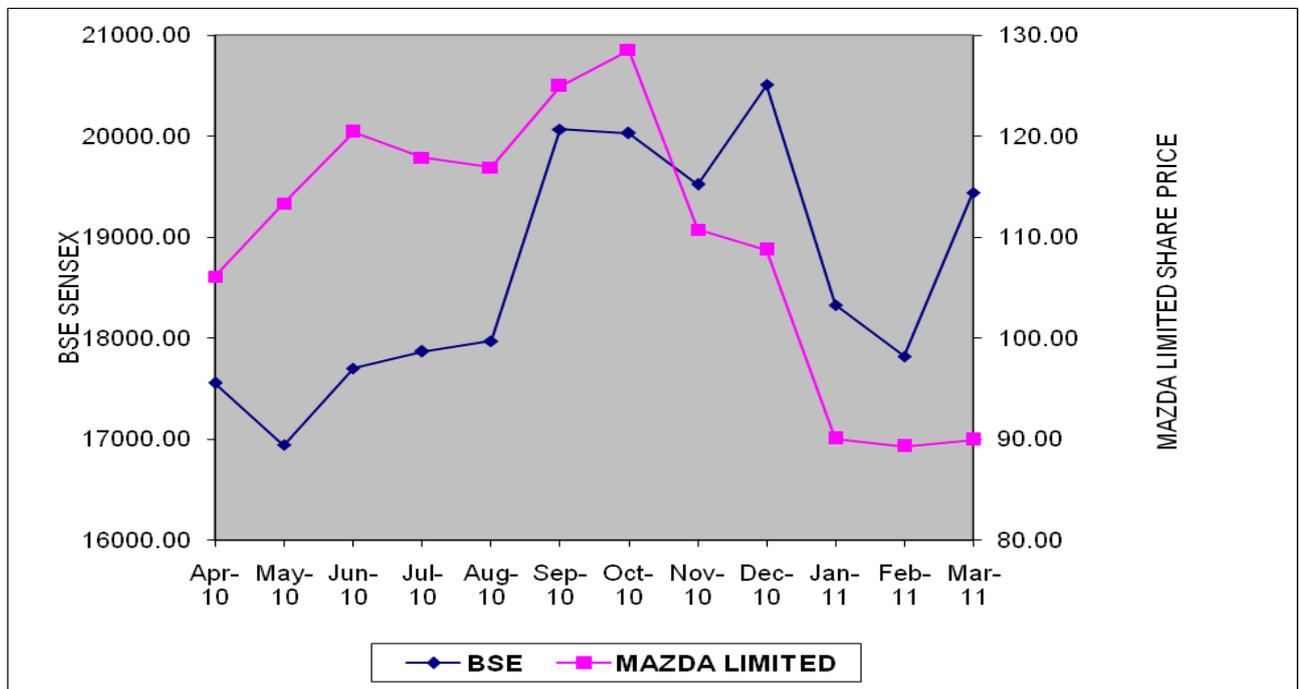
Shareholders holding shares in electronic mode should address all their correspondence to their respective depository Participant for any queries related to change of address or change in bank mandate.

- Monthly Highs and Lows of Market Price of the Company's Shares Traded on Bombay Stock Exchange Limited for the period April 2010 to March 2011:

Month	Bombay Stock Exchange Limited (BSE)	
	High	Low
April, 2010	120.80	98.65
May, 2010	123.60	99.00
June, 2010	128.90	107.00
July, 2010	124.90	112.50
August, 2010	138.90	115.60
September, 2010	138.00	117.05
October, 2010	142.00	124.05
November, 2010	128.90	105.45
December, 2010	119.95	99.00
January, 2011	116.80	89.10
February, 2011	96.70	80.10
March, 2011	92.00	85.05

Source: BSE Website

- Stock Price Performance in comparison to BSE Sensex**



- Shareholding pattern as on March 31,2011

Categories	No. of Shares held	% of Total Shareholding
Promoter's Holding		
Promoters and its group (Indian)	14,21,548	33.39
Foreign Promoters	NIL	NIL
Sub-Total	14,21,548	33.39
Non-promoter's Holding		
Banks & Mutual Funds	10,800	0.25
Foreign Institutional Investors	1,54,395	3.63
Private Corporate Bodies	3,85,660	9.06
Indian Public	19,07,559	44.79
NRIs	88,538	2.08
Foreign Company	2,89,500	6.80
Sub-Total	28,36,452	66.61
Grand-Total	42,58,000	100.00

- Distribution of shareholding as on March 31, 2011

Shareholding	Shareholders		No. of shares	
	Folios	% of total Nos.	Shares	% of total shares
Less than 500	3868	87.81	4,82,682	11.34
501 to 1000	231	5.24	1,89,926	4.46
1001 to 2000	141	3.20	2,16,390	5.08
2001 to 3000	46	1.04	1,14,554	2.69
3001 to 4000	17	0.39	60,522	1.42
4001 to 5000	15	0.34	70,871	1.66
5001 to 10000	48	1.09	3,50,822	8.24
10001 and above	39	0.89	27,72,233	65.11
Total	4405	100.00	42,58,000	100.00

For and on behalf of the Board,

Place : Ahmedabad
Date : 30/07/2011

Sorab R. Mody
Managing Director



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

**To,
The Board of Directors**

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

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2011 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 : 30/07/2011

Cyrus J. Bhagwagar
Financial Controller

Sorab R. Mody
Managing Director



AFFIRMATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT

To the members of Mazda Limited,

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

I hereby confirm that all Board members and Senior Management personnel have affirmed compliance with the Code of Conduct applicable to them in respect of the year ended 31st March, 2011.

Place : Ahmedabad
Date : 30/07/2011

Sorab 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, 2011 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, 2011, 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 : 30/07/2011

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, 2011, 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, 2011 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon gives the information required by the Companies Act, 1956, in the manner so required, and presented a true and fair view, in conformity with the accounting principles generally accepted in India:
 - i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
 - 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 : 30/07/2011

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 exceeding the value of five lakhs rupees in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.

7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. 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, 2011 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 explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

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

Place : Ahmedabad
Date : 30/07/2011

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



BALANCE SHEET AS AT 31ST MARCH, 2011

SR. NO.	PARTICULARS	SCHEDULE	AS AT 31/03/2011 Rs.	AS AT 31/03/2010 Rs.
SOURCES OF FUNDS				
I	SHAREHOLDERS' FUNDS			
	SHARE CAPITAL	A	4,25,80,000	4,25,80,000
	RESERVES & SURPLUS	B	<u>53,61,36,630</u>	<u>38,19,49,246</u>
			57,87,16,630	42,45,29,246
II	BORROWED FUNDS			
	SECURED LOANS	C	5,80,760	28,52,794
	UNSECURED LOANS	D	<u>15,00,000</u>	<u>15,00,000</u>
			20,80,760	43,52,794
III	DEFERRED TAX LIABILITY		1,60,89,683	1,75,52,278
	TOTAL		<u>59,68,87,073</u>	<u>44,64,34,318</u>
APPLICATION OF FUNDS				
I	FIXED ASSETS	E		
	GROSS BLOCK		18,42,99,551	20,80,50,320
	LESS : DEPRECIATION		<u>6,14,04,634</u>	<u>7,57,03,409</u>
			12,28,94,917	13,23,46,911
	CAPITAL WORK IN PROGRESS		<u>3,33,14,382</u>	<u>1,32,70,210</u>
			15,62,09,299	14,56,17,121
II	INVESTMENTS	F	18,33,85,751	4,57,47,860
III	CURRENT ASSETS, LOANS & ADVANCES			
	INVENTORIES	G	14,46,81,806	15,00,41,517
	DEBTORS	H	17,09,10,470	14,71,87,731
	CASH & BANK BALANCES	I	4,27,66,580	4,13,95,984
	LOANS, ADVANCES & DEPOSITS	J	19,83,50,445	19,00,32,291
			<u>55,67,09,301</u>	<u>52,86,57,522</u>
	LESS: CURRENT LIABILITIES & PROVISIONS			
	CURRENT LIABILITIES	K	16,97,06,253	13,23,84,798
	PROVISIONS	L	<u>12,97,11,027</u>	<u>14,12,03,387</u>
			29,94,17,279	27,35,88,185
	NET CURRENT ASSETS		25,72,92,023	25,50,69,337
	TOTAL		<u>59,68,87,073</u>	<u>44,64,34,318</u>
	NOTES FORMING PARTS OF ACCOUNTS	M		

THE SCHEDULES REFERRED TO ABOVE AND THE NOTES THEREON FORM AN 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 : 30/07/2011

PLACE : AHMEDABAD
DATE : 30/07/2011



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

SR. NO.	PARTICULARS	SCHEDULE	YEAR ENDED 31/03/2011 Rs.	YEAR ENDED 31/03/2010 Rs.
I	INCOME			
	GROSS SALES		89,75,62,307	85,26,85,247
	LESS : EXCISE DUTY		<u>6,11,13,526</u>	<u>4,90,94,916</u>
	NET SALES		83,64,48,781	80,35,90,331
	OTHER INCOME	N	<u>1,03,87,903</u>	<u>62,95,113</u>
			<u>84,68,36,684</u>	<u>80,98,85,444</u>
	INCREASE/(DECREASE) IN STOCK OF SEMI-FINISHED & FINISHED GOODS		<u>48,70,396</u>	<u>19,49,088</u>
	TOTAL - I		<u>85,17,07,080</u>	<u>81,18,34,532</u>
II	EXPENDITURE			
	MANUFACTURING & OTHER EXPENSES	O	55,70,81,036	50,12,81,867
	ADMINISTRATIVE & SELLING EXPENSES	P	17,37,24,150	15,02,26,654
	INTEREST	Q	(8,85,566)	1,04,274
	DEPRECIATION	E	<u>99,05,548</u>	<u>1,13,18,297</u>
	TOTAL - II		<u>73,98,25,168</u>	<u>66,29,31,092</u>
III	PROFIT BEFORE TAX (I-II)		11,18,81,912	14,89,03,440
IV	PROFIT ON SALE OF VALVE DIVISION ON SLUMP SALE BASIS AS AN EXTRA ORDINARY ITEM		13,78,82,769	---
V	LESS: PROVISION FOR TAXATION			
	CURRENT INCOME TAX		6,26,00,000	4,96,90,000
	DEFERRED TAX		(14,62,595)	21,14,988
	WEALTH TAX		42,825	52,069
	EXCESS/(SHORT) PROVISION OF INCOME TAX		<u>(6,73,854)</u>	<u>13,83,739</u>
			<u>6,05,06,376</u>	<u>5,32,40,796</u>
VI	PROFIT AFTER TAX (III+IV-V)		<u>18,92,58,305</u>	<u>9,56,62,644</u>
VII	PRIOR PERIOD ITEMS		(2,56,954)	4,33,252
VIII	PROFIT FOR THE YEAR		18,90,01,351	9,60,95,896
	BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR		<u>31,53,45,559</u>	<u>24,17,03,781</u>
	SURPLUS AVAILABLE FOR APPROPRIATION		<u>50,43,46,910</u>	<u>33,77,99,677</u>
IX	APPROPRIATIONS			
	TRANSFER TO GENERAL RESERVE		2,00,00,000	1,00,00,000
	INTERIM DIVIDEND		1,49,03,000	---
	PROPOSED DIVIDEND		1,49,03,000	1,06,45,000
	DIVIDEND TAX		50,07,967	18,09,118
	BALANCE CARRIED TO BALANCE SHEET		<u>44,95,32,943</u>	<u>31,53,45,559</u>
	TOTAL		<u>50,43,46,910</u>	<u>33,77,99,677</u>
X	BASIC/DILUTED EPS BEFORE EXTRAORDINARY ITEMS		19.24	22.47
XI	BASIC/DILUTED EPS AFTER EXTRAORDINARY ITEMS		44.45	22.47
	(refer notes to account Point No. 5 of Schedule M)			

NOTES FORMING PARTS OF ACCOUNTS

M

THE SCHEDULES REFERRED TO ABOVE AND THE NOTES THEREON FORM AN 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 : 30/07/2011

PLACE : AHMEDABAD
DATE : 30/07/2011



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	Year ended 31/03/2011	Year ended 31/03/2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax & Extra Ordinary Items	11,18,81,912	14,89,03,440
Adjusted for :		
Depreciation	99,05,548	1,13,18,297
Interest income	(12,67,610)	(10,37,759)
Rent Paid	42,10,000	39,82,058
Donation Given	44,000	25,50,100
Profit / Loss on Sale of Assets	9,69,722	27,172
Prior Period Items	(2,44,494)	---
Long Term Capital Gain	(2,78,563)	---
Short Term Capital Gain	(3,36,748)	---
Loss On Revaluation of Mutual Fund	2,68,267	---
Dividend on Mutual Funds	(53,79,457)	(14,90,600)
Security Transaction Tax Expense	20,826	---
Unrealised foreign exchange gain / loss	4,51,574	11,11,046
Interest and finance charges	3,82,044	11,42,033
Prior period items	---	(47,748)
	<u>87,45,109</u>	<u>1,75,54,599</u>
Operating Profits before working capital changes	12,06,27,021	16,64,58,039
Working capital adjustments :		
Debtors	(2,37,22,739)	5,40,53,169
Inventories	53,59,711	(1,17,12,097)
Other Receivables	(1,63,24,749)	(52,36,381)
Creditors	2,83,35,888	48,46,893
Unrealised foreign exchange gain / loss	(4,51,574)	(11,11,046)
Other Payables	32,27,874	31,09,520
	<u>(35,75,589)</u>	<u>4,39,50,058</u>
Cash generated from operations	11,70,51,432	21,04,08,097
Direct Taxes paid	(6,46,09,212)	(5,28,14,648)
Cash Flow before Extra ordinary Items	5,24,42,220	15,75,93,449
Extraordinary Items	13,36,28,769	(65,32,158)
NET CASH FROM OPERATING ACTIVITIES	18,60,70,989	15,10,61,291
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(4,41,66,067)	(3,02,38,125)
Sale of fixed assets	2,26,86,198	66,900
Investments in Mutual Funds	(13,76,37,891)	(4,57,44,860)
Loss on Revaluation of Mutual Funds	(2,68,267)	(16,238)
Long Term Capital Gain on Investments	2,78,563	---
Short Term Capital Gain on Investments	3,36,748	---
Security Transaction Tax Expense	(20,826)	---
Dividend received on Mutual Funds	53,79,457	14,90,600
Interest received	12,55,653	10,37,759
	<u>(15,21,56,432)</u>	<u>(7,34,03,964)</u>
NET CASH USED IN INVESTING ACTIVITIES	(15,21,56,432)	(7,34,03,964)

PARTICULARS	Year ended 31/03/2011	Year ended 31/03/2010
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long term Borrowings from Bank	(22,72,034)	(47,31,655)
Working Capital Loans from Bank	---	(3,29,68,571)
Interest paid	(3,82,044)	(11,42,033)
Dividend tax paid	(18,09,118)	(14,47,294)
Interim Dividend Paid	(1,49,03,000)	---
Tax on Interim Dividend Paid	(25,32,765)	---
Dividend Paid	(1,06,45,000)	(85,16,000)
NET CASH FROM FINANCING ACTIVITIES	(3,25,43,961)	(4,88,05,553)
Net increase in Cash & Cash Equivalents (A+B+C)	13,70,596	2,88,51,774
Add : Cash & Cash Equivalents as at 01/04/2010	4,13,95,984	1,25,44,210
Cash & Cash Equivalents as at 31/03/2011	4,27,66,580	4,13,95,984

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 : 30/07/2011

FOR AND ON BEHALF OF THE BOARD

**SORAB R. MODY
MANAGING DIRECTOR**

**CYRUS J. BHAGWAGAR
FINANCIAL CONTROLLER**

PLACE : AHMEDABAD
DATE : 30/07/2011

**SHEILA S. MODY
DIRECTOR**

**NISHITH C. KAYASTH
COMPANY SECRETARY**

**MOHIB N. KHERICHA
DIRECTOR**

SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	AS AT 31/03/2011 Rs.	AS AT 31/03/2010 Rs.
SCHEDULE - A : SHARE CAPITAL		
AUTHORISED 50,00,000 EQUITY SHARES OF RS.10/- EACH	5,00,00,000 <u>5,00,00,000</u>	5,00,00,000 <u>5,00,00,000</u>
ISSUED AND SUBSCRIBED 42,58,000 EQUITY SHARES OF RS.10/- EACH FULLY PAID-UP	4,25,80,000 <u>4,25,80,000</u>	4,25,80,000 <u>4,25,80,000</u>
TOTAL	<u>4,25,80,000</u>	<u>4,25,80,000</u>
SCHEDULE - B : RESERVES & SURPLUS		
BALANCE IN PROFIT & LOSS ACCOUNT	44,95,32,943	31,53,45,559
SHARE PREMIUM ON EQUITY WARRANT	3,00,00,000	3,00,00,000
GENERAL RESERVE :		
OPENING BALANCE	3,20,10,750	
ADD : TRANSFER FROM P&L A/C	<u>2,00,00,000</u>	3,20,10,750
CAPITAL RESERVE	4,24,937	4,24,937
CAPITAL BUYBACK RESERVE	41,68,000	41,68,000
TOTAL	<u>53,61,36,630</u>	<u>38,19,49,246</u>
SCHEDULE - C : SECURED LOANS		
LOAN FROM OTHER BANKS (Refer below note)	5,80,760	28,52,794
TOTAL	<u>5,80,760</u>	<u>28,52,794</u>
Notes :		
1. Loan from other banks are related to vehicles which are hypothecated against vehicles.		
SCHEDULE - D : UNSECURED LOANS		
FIXED DEPOSIT FROM DIRECTOR	15,00,000	15,00,000
TOTAL	<u>15,00,000</u>	<u>15,00,000</u>

SCHEDULE - E : DEPRECIATION

SR. NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		AS ON 01/04/10	ADDITIONS	DEDUCTIONS / TRANSFER	AS ON 31/03/11	AS ON 01/04/10	FOR THE YEAR	ADJUSTMENT / TRANSFER	AS ON 31/03/11	AS ON 31/03/10	
1.	Factory Shed (Unit-I)	64,24,736	73,230	---	64,97,966	34,22,646	2,15,948	---	36,36,594	28,59,372	30,02,090
2.	Factory Shed (Unit-II)	2,43,96,981	27,65,707	---	2,71,62,688	53,10,502	8,88,963	---	61,99,465	2,09,63,223	1,90,86,479
3.	Factory Shed (Odhav-Unit-III)	42,71,768	1,84,210	---	44,55,978	2,09,534	1,47,969	---	3,57,503	40,98,475	40,62,234
4.	Office Building (1st & 2nd floor)	36,71,845	---	---	36,71,845	1,03,081	59,851	---	1,62,932	35,08,913	35,68,764
5.	Factory Building (Food Division)	79,48,676	48,610	---	79,97,286	19,08,516	2,66,024	---	21,74,540	58,22,746	60,40,160
6.	Plant & Machinery (Engineering)	6,06,09,985	1,70,61,891	1,75,40,417	6,01,31,459	1,66,18,256	26,21,353	44,69,836	1,47,69,773	4,53,61,686	4,39,91,729
7.	Plant & Machinery (Food Division)	72,73,065	1,21,553	---	73,94,618	7,29,719	3,48,690	---	10,78,409	63,16,209	65,43,346
8.	R & D Machinery (Engineering)	31,76,911	---	---	31,76,911	25,34,370	1,50,903	---	26,85,273	4,91,638	6,42,541
9.	R & D Equipment (Biotech)	8,91,105	---	---	8,91,105	3,59,782	42,327	---	4,02,110	4,88,995	5,31,323
10.	Electrical Installation	99,99,862	1,12,282	---	1,01,12,144	40,03,408	4,76,100	---	44,79,508	56,32,636	59,96,454
11.	Electrical Installation (Odhav-Unit-III)	3,09,668	12,566	---	3,22,234	23,736	14,825	---	38,561	2,83,673	2,85,932
12.	Furniture & Fixtures	1,18,42,422	13,21,837	18,22,691	1,13,41,568	50,30,308	7,02,772	5,17,290	52,15,790	61,25,778	68,12,114
13.	Office Equipments	71,58,112	2,71,340	1,63,860	72,65,592	29,43,776	3,42,506	42,083	32,44,199	40,21,393	42,14,336
14.	Office Equipments (Guest House)	2,25,002	91,000	---	3,16,002	66,299	11,339	---	77,638	2,38,364	1,58,703
15.	Vehicles	1,93,03,206	8,95,495	37,48,836	1,64,49,865	65,78,077	13,76,052	13,40,788	66,13,341	98,36,524	1,27,25,129
16.	Computers	1,14,42,325	9,14,924	10,45,537	1,13,11,712	69,18,455	10,79,654	406,501	75,91,608	37,20,104	45,23,870
17.	Patterns	22,64,482	---	22,17,027	47,455	12,27,943	46,831	12,64,981	9,793	37,662	10,36,539
18.	Technical Design & Drawing	1,04,99,392	---	1,04,99,392	---	70,77,102	75,013	71,52,115	---	---	34,22,290
19.	Technical Know-How	1,00,99,904	---	1,00,99,904	---	88,63,000	1,00,399	89,63,399	---	---	12,36,904
20.	Computer Software	62,40,873	2,47,250	7,35,000	57,53,123	17,74,899	9,38,029	47,331	26,65,597	30,87,526	44,65,974
TOTAL		20,80,50,320	2,41,21,895	4,78,72,664	18,42,99,551	7,57,03,409	99,05,548	2,42,04,324	6,14,04,634	12,28,94,917	13,23,46,911
PREVIOUS YEAR		19,19,19,461	1,69,67,911	8,37,052	20,80,50,320	6,56,25,329	1,13,18,297	12,40,217	7,57,03,409	13,23,46,911	---
Capital Work-in-Progress				3,33,14,382							3,33,14,382

PARTICULARS	ASAT 31/03/2011 Rs.	ASAT 31/03/2010 Rs.
SCHEDULE - F : INVESTMENTS		
UNQUOTED		
100 EQUITY SHARES OF RS.30/- EACH OF BOMBAY MERCANTILE CO-OPERATIVE BANK LTD.	3,000	3,000
QUOTED		
(45732 Shares) CHARTERED CAPITAL AND INVESTMENT LIMITED	16,27,749	---
(3047350.332 Units) SBI-SHDF-SHORT TERM- INSTITUTIONAL PLAN-WEEKLY DIVIDEND (of Rs. 10 Each)	---	3,07,44,860
(265652.229 Units) SBI-MAGNUM MONTHLY INCOME PLAN GROWTH OPTION (of Rs. 10 Each)	---	50,00,000
(322148.3429 Units) SBI-MAGNUM INCOME PLUS FUND- INVESTMENT PLAN- GROWTH (of Rs. 10 Each)	---	50,00,000
(145900.204 Units) SBI-MAGNUM EQUITY FUND- DIVIDEND (of Rs. 10 Each)	---	50,00,000
(1992240.578 Units) BHARTI AXA SHORT TERM INCOME FUND (of Rs. 10 Each)	2,01,76,217	---
(2000000 Units) RELIGARE FIXED MATURITY PLAN- SERIES V PLAN D - GROWTH (of Rs. 10 Each)	2,00,00,000	---
(2000000 Units) ICICI PRUDENTIAL FMP SERIES 55 1 YEAR PLAN A - CUMULATIVE (of Rs. 10 Each)	2,00,00,000	---
(1185685.834 Units) RELIANCE MONTHLY INCOME PLAN-GR.PLAN (of Rs.10 Each)	2,50,00,000	---
(160761.365 Units) HDFC EQUITY FUND -DIV.OPTION-REINVEST (of Rs. 10 Each)	75,00,000	---
(6717.851 Units) HDFC EQUITY FUND -GROWTH OPTION-(of Rs. 10 Each)	18,76,454	---
(250000 Units) RELIANCE SMALL CAP FUND- GROWTH PLAN (of Rs. 10 Each)	23,77,825	---
(12483.240 Units) HDFC CASH MANAGEMENT FUND- TREASURY ADVANTAGE PLAN-WHOLESALE WEEKLY DIV. (of Rs. 10 Each)	1,25,100	---
(703201.140 Units) MORGAN STANLEY ACE FUND- GROWTH PLAN (of Rs. 10 Each)	1,00,75,215	---
(4040342.813 Units) IDFC MONEY MANAGER FUND- INVESTMENT PLAN -A WEEKLY DIV. (of Rs. 10 Each)	4,04,96,054	---
(500000 Units) PRAMERICA DYNAMIC MONTHLY INCOME FUND GROWTH OPTION (of Rs. 10 Each)	50,00,000	---
(200000 Units) PRAMERICA DYNAMIC FUND- GROWTH (of Rs. 10 Each)	19,56,000	---
(200000 Units) PRAMERICA EQUITY FUND- GROWTH (of Rs. 10 Each)	19,16,000	---
(93112.934 Units) ICICI PRUDENTIAL DYNAMIC PLAN- GROWTH (of Rs. 10 Each)	1,00,50,000	---
(367294.99 Units) RELIANCE FLOATING RATE FUND- SHORT TERM PLAN-WEEKLY DIVIDEND (of Rs. 10 Each)	37,06,137	---
(291762.652 Units) FRANKLIN TEMPLETON INDIA DYNAMIC PE RATIO FUNDS OF FUNDS (of Rs. 10 Each)	1,15,00,000	---
TOTAL	<u>18,33,85,751</u>	<u>4,57,47,860</u>
SCHEDULE - G: INVENTORIES		
RAW MATERIALS - ENGINEERING	6,97,16,244	8,04,22,353
RAW MATERIALS - FOOD DIVISION	92,48,657	84,37,559
SEMI FINISHED GOODS - ENGINEERING	4,87,91,574	3,59,13,489
SEMI FINISHED GOODS - FOOD DIVISION	10,75,512	1,74,915
FINISHED GOODS - ENGINEERING	1,30,30,929	2,18,58,249
FINISHED GOODS - FOOD DIVISION	25,876	1,06,842
CONSUMABLE STORES & SPARES - ENGINEERING	27,93,014	31,28,110
TOTAL	<u>14,46,81,806</u>	<u>15,00,41,517</u>
SCHEDULE - H : DEBTORS		
(UNSECURED - CONSIDERED GOOD, UNLESS OTHERWISE STATED)		
OUTSTANDING FOR MORE THAN SIX MONTHS	1,57,92,063	2,59,78,194
OTHER DEBTORS	15,51,18,407	12,12,09,537
TOTAL	<u>17,09,10,470</u>	<u>14,71,87,731</u>

PARTICULARS	ASAT 31/03/2011 Rs.	ASAT 31/03/2010 Rs.
SCHEDULE - I : CASH & BANK BALANCES		
CASH ON HAND	6,50,015	3,85,441
BALANCES WITH SCHEDULE BANKS IN CURRENT ACCOUNT		
BANK BALANCES	2,76,61,751	2,89,06,733
BANK BALANCES IN DIVIDEND A/C'S	11,24,553	7,11,799
EEFC ACCOUNT	12,94,609	1,81,180
DEPOSITS AGAINST BANK GUARANTEES	1,20,35,652	1,12,10,831
TOTAL	4,27,66,580	4,13,95,984
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	72,05,053	1,16,66,221
CIRCOR FLOW TECHNOLOGIES (VALVE DIVISION SLUMP SALE)	2,12,36,531	---
GRATUITY INVESTMENT FUND	1,50,55,730	1,64,56,794
LEAVE INVESTMENT FUND	20,00,709	---
FOREIGN CURRENCY RECEIVABLE	91,90,568	34,32,875
PREPAID EXPENSES	15,42,819	14,65,752
LOANS & ADVANCES TO EMPLOYEES	23,68,953	24,00,738
ACCRUED INTEREST	2,50,022	43,949
BALANCE WITH EXCISE AUTHORITIES	1,18,42,402	76,05,515
<u>DEPOSITS</u>		
SECURITY DEPOSITS AGAINST PROPERTY	50,00,000	90,00,000
OTHER DEPOSITS	22,19,401	37,57,901
ADVANCE TAXES	12,04,38,258	13,42,02,546
TOTAL	19,83,50,445	19,00,32,291
SCHEDULE - K : CURRENT LIABILITIES		
ADVANCES FROM CUSTOMERS	2,16,13,992	1,98,70,363
SUNDRY CREDITORS - DUES TO MICRO, SMALL & MEDIUM ENTERPRISE	1,29,59,423	---
SUNDRY CREDITORS - DUES TO OTHERS	9,08,57,664	7,54,81,199
UNCLAIMED DIVIDEND	11,24,553	7,11,799
FORWARD CONTRACTS	91,90,568	34,32,875
OTHER CURRENT LIABILITIES	3,39,60,053	3,28,88,562
TOTAL	16,97,06,253	13,23,84,798
SCHEDULE - L : PROVISIONS		
PROVISION FOR INCOME TAX	11,22,90,000	12,71,46,000
PROVISION FOR FRINGE BENEFIT TAX	---	15,51,200
PROVISION FOR WEALTH TAX	42,825	52,069
PROPOSED DIVIDEND	1,49,03,000	1,06,45,000
PROVISION FOR DIVIDEND TAX	24,75,202	18,09,118
TOTAL	12,97,11,027	14,12,03,387



SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

PARTICULARS	YEAR ENDED 31/03/2011 Rs.	YEAR ENDED 31/03/2010 Rs.
SCHEDULE - N : OTHER INCOME		
APPRENTICE STIPEND INCOME	2,42,400	---
CONSULTANCY INCOME	4,20,560	---
GAIN ON FORWARD CONTRACTS	5,12,270	7,77,800
PACKING CHARGES INCOME	2,87,902	5,82,369
MISC. INCOME	---	5,100
EXPORT INCENTIVE INCOME	6,62,993	6,85,366
EQUIPMENT REPAIR INCOME	25,35,277	27,70,116
LONG TERM CAPITAL GAIN	2,78,563	---
SHORT TERM CAPITAL GAIN	68,481	(16,238)
DIVIDEND INCOME	53,79,457	14,90,600
TOTAL	1,03,87,903	62,95,113
SCHEDULE - O : MANUFACTURING & OTHER EXPENSES		
RAW MATERIAL CONSUMPTION	45,16,13,991	39,70,86,166
POWER & FUEL EXPENSES	63,93,413	61,40,172
EXCISE & CUSTOM DUTY	2,20,623	20,20,489
FACTORY CONSUMABLE EXPENSES	1,09,44,258	1,17,08,387
LEASE & RENT	19,32,700	18,82,058
INSPECTION & TESTING CHARGES	63,05,235	25,04,747
INWARD FREIGHT & CARTING CHARGES	45,23,221	63,91,428
LABOUR CHARGES	6,84,06,988	6,49,43,600
REPAIRS & MAINTENANCE (PLANT & MACHINERY)	28,02,854	33,53,274
WAGES	39,37,753	52,51,546
TOTAL	55,70,81,036	50,12,81,867
SCHEDULE - P : ADMINISTRATIVE & SELLING EXPENSES		
<u>ADMINISTRATION EXPENSES</u>		
AUDIT FEES	4,80,000	3,25,000
BANK CHARGES	38,94,347	34,31,929
DONATION	44,000	25,50,100
EXCHANGE RATE DIFFERENCE	19,92,800	24,31,588
INSURANCE EXPENSES	35,85,933	32,28,867
LEASE, LICENSE FEES & RENT	27,50,000	21,00,000
MUNICIPAL TAX	4,61,619	5,53,888
TELEPHONE, INTERNET EXPENSES	22,21,980	18,89,395
ELECTRICITY EXPENSES (OFFICE)	5,76,962	5,87,969
REPAIR & MAINTENANCE (BUILDING)	4,56,692	11,70,911
REPAIR & MAINTENANCE (OTHERS)	11,69,830	13,69,250
LOSS ON SALE OF FIXED ASSETS	9,69,722	10,934
PRINTING & STATIONERY EXPENSES	12,19,713	14,22,103
DIRECTORS SITTING FEES	3,48,000	3,77,000
OTHER ADMINISTRATIVE & SELLING EXPENSES	97,06,580	1,05,78,485
<u>TRAVELING AND CONVEYANCE EXPENSES</u>		
CONVEYANCE EXPENSES	14,50,551	14,52,974
TRAVELING EXPENSES (EQUIP. REPAIRS)	63,67,615	55,31,898
TRAVELING EXPENSES (SALES)	21,28,685	44,00,552
FOREIGN TRAVELING EXPENSES	17,27,694	14,35,552

PARTICULARS	YEAR ENDED 31/03/2011 Rs.	YEAR ENDED 31/03/2010 Rs.
STAFF EXPENSES		
SALARIES, BONUS & COMMISSION	6,64,09,900	5,95,93,615
CONTRIBUTION TO PROVIDENT & OTHER FUNDS	84,64,082	47,03,554
STAFF WELFARE EXPENSES	20,26,559	15,97,983
STAFF TRAINING EXPENSES	12,555	1,88,752
LEGAL & PROFESSIONAL EXPENSES	60,11,619	88,95,294
SELLING & DISTRIBUTION EXPENSES		
ADVERTISEMENT EXPENSES	3,74,564	5,06,714
SALES TAX EXPENSES	40,27,542	52,269
EXHIBITION EXPENSES	---	98,770
EQUIPMENT REPAIR EXPENSES	20,56,934	6,04,832
DEBIT/CREDIT BALANCES WRITTEN OFF	1,86,42,659	(3,12,575)
LIQUIDATED DAMAGES	24,45,271	75,36,037
OUTWARD FREIGHT & CHARGES	1,17,30,694	97,70,645
SALES COMMISSION EXPENSES	99,69,050	1,21,42,369
TOTAL	17,37,24,150	15,02,26,654
SCHEDULE - Q : INTEREST		
INTEREST ON SBI - CASH CREDIT	---	94,768
INTEREST ON SBI - EXPORT PACKING CREDIT	---	2,98,180
INTEREST ON VEHICLE LOANS	2,17,044	5,10,734
INTEREST ON FIXED DEPOSIT	1,65,000	1,65,000
INTEREST ON SBI-TERM LOAN	---	73,351
SUB TOTAL	3,82,044	11,42,033
LESS : INTEREST EARNED	12,67,610	10,37,759
TOTAL	(8,85,566)	1,04,274



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 or construction, net of cenvat credit and depreciation / amortization. Cost includes any cost attributable for bringing the asset to its working condition for its intended use. Capital work-in-progress includes cost of assets not ready for their intended use and includes advances paid to acquire fixed assets.

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

- i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- 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 realizable 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 amortization. Technical know how is amortized over the period of six years.

L. BORROWING COST

Borrowing cost attributable to the acquisition, construction or production of a qualifying asset is 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 recognised 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 realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets, if any. It recognizes unrecognised 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 realized.

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

2010-11
Rs. in Lacs

2009-10
Rs. in Lacs

1. For assessment year 2000-2001 for which Income-tax department is in appeal	---	5.23
2. For assessment year 1999-2000 for which Income-tax department is in appeal	---	2.22
3. Estimated amounts of contracts remainin to be executed on capital account and not provided for (Net of Advances)	281.55	118.00
Total	<u>281.55</u>	<u>125.45</u>

2. MANAGERIAL REMUNERATION

2010-11
Rs. in Lacs

2009-10
Rs. in Lacs

1. Salary & Perquisites	96.28	95.85
2. LTA	4.69	4.69
3. Commission to Managing Director	32.14	44.68
Total	<u>133.11</u>	<u>145.22</u>

3. PAYMENT TO STATUTORY AUDITORS

2010-11*
Rs. in Lacs

2009-10*
Rs. in Lacs

1. For Statutory Audit	4.19	2.76
2. For Tax Audit	1.10	0.83
3. For Certifications	0.45	0.62
Total	<u>5.74</u>	<u>4.21</u>

* excludes service tax

4. 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 realized in the ordinary course of business.

5. 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	2010-11	2009-10
1. Net Profit for the year before Extra ordinary item (Rs.in Lacs)	830.72	956.70
2. No. of Equity Shares	42,58,000	42,58,000
3. Nominal Value of Shares (Rs.)	10	10
4. Earnings Per Share (Rs.)	19.24	22.47
5. Earnings Per Share after extra ordinary items (Rs.) (Slump Sale of Valve Division)	44.45	---

6. 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	31/03/2011 Value (Rs. in lacs)	Qty	31/03/2010 Value (Rs. in lacs)
1.	Vacuum Systems	Set	1133	5489.65	1220	3730.26
2.	Desuperheaters	Nos	27	88.44	71	213.60
3.	PRS/PRDS	Nos	4	33.05	31	633.48
4.	Control Valves/ HPRV	Nos	26	42.72	133	272.25
5.	Pressure Reducing Valves	Nos	14	11.48	22	9.57
6.	Safety Valves	Nos	1	0.55	16	7.95
7.	Gate/Stop Valves	Nos	15	1.67	32	2.43
8.	Vacuum Pumps	Nos	229	221.69	249	247.78
9.	Pollution Control Equipments	Nos	25	112.08	16	419.64
10.	Valve Positioners	Nos	4	1.29	20	10.98
11.	Chill Vactor	Nos	10	36.04	24	89.52
12.	Rotajectors	Nos	19	83.15	4	16.91
13.	Evaporators	Nos	27	1191.70	24	1063.26
14.	Turbine By-Pass Valve	Nos	---	---	6	197.88
15.	Thermo Compressors	Nos	185	261.59	113	244.83
16.	B Cool (Food Division)	Kgs.	521044.55	347.39	543555	290.92
17.	B Cool (Food Division)	LTRS	23536.71	59.77	13176	22.26
18.	Others (Including Spares)	Nos	---	382.23	---	562.38
TOTAL*				8364.49		8035.90

* Total of Rs 8364.49 Lacs and 8035.90 Lacs are other than scrap, purchase return & free replacement.

c) Materials Consumed :

Sr. No.	Items	Unit	Qty	31/03/2011 Value (Rs. in lacs)	Qty	31/03/2010 Value (Rs. in lacs)
Engineering Division						
1.	Round Bar	MT	97.77	129.13	150.64	208.68
2.	Pipes & Tubes	MTRS	437748.96	803.19	246663.18	616.13
3.	Plates	MT	1205.16	899.17	1605.34	981.79
4.	Profiles & Circles	MT	127.91	158.23	141.97	230.73
5.	Flanges	NOS	29178.00	223.12	29081.00	258.88
6.	Castings	MT	1.80	6.57	23.61	26.73
7.	Stop Valves	NOS	8050.00	374.55	6797.00	455.18
8.	Instruments	NOS	1191.00	543.49	2963.00	681.27
9.	Bought Outs & Others	---	---	1038.48	---	259.35
Food Division						
1.	Raw Material	KGS	550450.70	221.28	520666.30	169.53
2.	Packing Material	NOS	6304879.00	117.24	3002940.00	80.73
3.	Packing Material	KGS	1255.20	1.69	898.61	1.86
TOTAL				4516.14		3970.86

d) Closing Stock :

Sr. Items No.	Unit	Qty	31/03/2011 Value (Rs. in lacs)	Qty	31/03/2010 Value (Rs. in lacs)
1. Raw Materials : Engg. Div.					
Round Bar	MT	17.89	40.03	30.17	60.76
Pipes & Tubes	MTRS	42,628.23	106.78	25,926.06	109.66
Plates	MT	206.28	209.02	149.01	138.01
Profiles & Circles	MT	4.93	5.53	4.49	14.91
Flanges	NOS	6,600.00	60.04	4,312.00	52.70
Castings	MT	---	---	3.31	4.25
Stop Valves	NOS	2,640.00	107.75	2,174.00	98.77
Instruments	NOS	339.00	27.21	429.00	70.76
Others	---	---	168.73	---	285.69
Raw Materials : Food Div.					
Raw Materials	KGS	42,403.53	30.27	62,820.61	33.06
Packing material	NOS	82,86,001.00	55.81	19,54,301.00	45.57
Packing material	KGS	2,490.87	6.40	2,335.87	5.74
Total			817.57		919.88
2. Semi finished goods : Engg. Div.					
Semi finished goods : Engg. Div.			487.92		359.13
Semi finished goods : Food Div.			10.76		1.75
3. Finished goods : Engg. Div.					
Finished goods : Engg. Div.			130.31		218.58
Finished goods : Food Div.			0.26		1.07
TOTAL			1,446.82		1,500.41

e) Information regarding Imports, Exports and other matters:

Sr. Description No.	31/03/2011 Value (Rs. in lacs)	31/03/2010 Value (Rs. in lacs)
Value of Import on CIF basis:		
1. Raw materials	14.41	121.95
2. Repairs & Maintenance	---	3.60

f) Details of Earnings in Foreign Currency:

Sr. Description	31/03/2011 (Rs. in lacs)	31/03/2010 (Rs. in lacs)
FOB Value of Export of Goods	2223.25	1747.04

g) Expenditure incurred in foreign currency :

Sr. Description No.	31/03/2011 Value (Rs. in lacs)	31/03/2010 Value (Rs. in lacs)
1. Foreign Travel	9.40	6.22
2. Subscriptions	2.48	0.77
3. Technical Consultancy Expenses	1.65	2.30
4. Dividend	22.62	9.99
5. Equipment Repairs Expenses	3.14	0.48
TOTAL	39.29	19.76

h) Consumption of Raw Materials:

Sr. No.	Description	%	31/03/2011 Value (Rs. in Lacs)	%	31/03/2010 Value (Rs. in Lacs)
1.	Indigenous	99.61	4497.94	98.53	3912.48
2.	Imported	0.39	18.20	1.47	58.38
	TOTAL	100.00	4516.14	100.00	3970.86

7. 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:

- The Company's operation predominantly relates to manufacture of Engineering Goods like Vacuum Products, Evaporators, Pollution Control Equipments and also involved in the business of food items.
- The secondary segment is geographical, determined and based on the location of the Customers. Customers are classified as Domestic and Overseas.
- 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	8056.84	414.21	8471.05
Identifiable Operating Expenses	6110.09	398.35	6508.44
Segmental Operating Income	1946.75	15.86	1962.61
Unallocable Interest Charges			(8.86)
Unallocable Expenses			852.65
Total Profit before Tax			1118.82
Profit on sale of Valve Division on Slump sale basis			1378.83
Taxes			605.06
Net Profit for the Year			1892.58

Secondary Segment Information:

(Rs. in lacs)

Particulars	Domestic	Overseas	Total
Revenues	6200.61	2270.44	8471.05
Identifiable Operating Expenses	4855.16	1653.28	6508.44
Segmental Operating Income	1345.45	617.16	1962.61
Unallocable Interest Charges			(8.86)
Unallocable Expenses			852.65
Total Profit before Tax			1118.82
Profit on sale of Valve Division on Slump sale basis			1378.83
Taxes			605.06
Net Profit for the Year			1892.58

8. DEFERRED TAX

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

Particulars	31/03/2011 (Rs. in Lacs)	31/03/2010 (Rs. in Lacs)
Deferred Tax Liabilities:		
Related to fixed assets	150.86	177.95
Add: Gratuity	<u>16.99</u>	<u>7.81</u>
Closing balance	<u>167.85</u>	<u>185.76</u>
Deferred Tax Assets:		
Less: Leave Encashment	0.26	10.23
Less: Sick Leave Encashment	<u>6.69</u>	NIL
TOTAL	<u>6.95</u>	<u>10.23</u>
Net Deferred Tax Liability/Assets	<u>160.90</u>	<u>175.52</u>

9. 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) Mrs. Shanaya Mody Khatua : 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 2010-11	Amount Outstanding as on 31/03/2011	Amount of Transaction in 2009-10	Amount Outstanding as on 31/01/2010
1.	Croll-Reynolds Co. Inc. New Jersey, U.S.A	Sale of goods Equipment Repairs Income Dividend payment	1557.67 --- 22.62	228.30 --- ---	653.74 2.84 9.99	57.81 --- ---
2.	Mr. Sorab R. Mody	Remuneration Rent Interest on fixed deposits Dividend payment Commission	29.04 33.30 1.65 51.20 32.14	--- --- 0.74 --- 32.14	29.04 31.80 1.65 17.00 44.68	--- --- 0.74 --- 44.68
3.	Mrs. Sheila S. Mody	Sitting Fees for Board Meetings Dividend payment	0.98 2.79	--- ---	0.98 0.11	--- ---
4.	Mr. Percy X. Avari	Remuneration Dividend payment	35.97 2.71	--- ---	35.75 0.92	--- ---
5.	Mrs. Shanaya Mody Khatua	Salary Dividend payment	35.97 23.62	--- ---	35.75 7.11	--- ---
6.	H.T. Engineering (Guj.) Pvt. Ltd.	Purchase of raw materials Labour charges	227.51 16.21	34.63 1.50	236.53 19.37	37.80 1.26
7.	Tarapore Enterprise	Labour charges	91.23	11.83	61.71	6.54

10. 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)

	2010-2011		2009-2010	
	Pre. Leave	Gratuity	Pre. Leave	Gratuity
Change in the present value of the defined benefit obligation:				
Opening defined benefit obligation	37.27	141.58	26.57	115.70
Interest cost	3.08	11.68	2.19	9.54
Current service cost	6.21	12.70	7.56	12.30
Benefits paid	(11.35)	(54.18)	(5.73)	(0.97)
Actuarial (gain) /losses on obligation	(5.44)	42.20	6.68	5.01
Closing defined benefit obligation	29.77	153.98	37.27	141.58
a. Change in the fair value of plan assets:				
Opening fair value of plan assets	---	164.57	---	125.71
Expected return on plan assets	---	14.14	---	12.74
Contributions by employer	---	30.19	---	33.74
Benefits paid	---	(51.99)	---	(0.97)
Actuarial gains / (losses)	---	(5.79)	---	(5.47)
Management Charge	---	(1.35)	---	(1.18)
Closing fair value of plan assets	---	149.77	---	164.57

(Rs. In lacs)

	2010-2011		2009-2010	
	Pre. Leave	Gratuity	Pre. Leave	Gratuity
b. Actual return on plan assets:				
Expected Return on plan assets	---	14.15	---	12.74
Actuarial gain / (loss) on plan assets	---	(5.79)	---	(5.47)
Actual return on plan assets	---	8.36	---	7.27
c. Amount recognised in the balance sheet:				
(Assets) / Liability at the end of the year	29.77	153.98	37.27	141.58
Fair value of plan Assets at the end of the year	---	149.77	---	164.57
Difference	---	---	---	---
Unrecognised past Service cost	---	---	---	---
(Assets) / Liability recognised in the Balance Sheet	29.77	(4.21)	37.27	(24.17)
d. (Income) / Expenses recognised in the Profit & Loss Account statement:				
Current service cost	6.21	12.70	7.56	12.30
Interest cost on benefit obligation	3.08	11.68	2.19	9.55
Expected return on plan assets	---	(14.15)	---	(12.74)
Net actuarial (gain) / loss in the period	(5.44)	(47.99)	6.69	10.48
Net (benefit) / expense	3.85	58.22	16.44	19.59
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%	8.25%	8.25%
(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%	5.00%	5.00%
(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.	9.00%

11. 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 2010-11	Amount 2009-10
Lease Payments debited to the Profit And Loss Account	42.10	39.82
Future Minimum Lease Payments in Respect of non-cancelable leases	---	---
Amounts due within one year from the date of balance-sheet	16.50	16.50

12. 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:

	2010-11	2009-10
Year to which dividend relates	2009-2010	2008-2009
Number of non-resident shareholders to whom dividend has been remitted	1	1
Number of Equity Shares held by them	2,89,500	4,99,500
Remittance made by the Company in Foreign currency on account of dividend	22,62,000	7,49,250

- 13.** 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, 2011 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	6,37,814	2,35,322	284.78	106.22
	EURO	44,047	3,91,331	27.86	236.99
	GBP	73,704	---	53.01	---
Trade Payables	EURO	---	1,940	---	1.17
Advances from customers	USD	39,803	1,14,481	17.77	51.68
	EURO	34,940	---	21.76	---
Advance to Suppliers	USD	16,555	---	7.39	---
	EURO	15,690	---	9.92	---
Bank Balance in EEFC Account	USD	28,995	4,014	12.95	1.81

Forward Exchange Contracts as at March, 31, 2011

Forward exchange Contracts outstanding	USD	60,000	75,000	27.86	34.33
Forward exchange Contracts outstanding	GBP	85,700	---	64.05	---

14. Schedule of Investments

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	Book Value	Market Value	Book Value	Market Value
Quoted Investments	18,36,51,018	18,63,10,640	4,57,44,860	4,52,97,361
Unquoted Investments	3,000	3,000	3,000	3,000
TOTAL	18,36,54,018	18,63,13,640	4,57,47,860	4,53,00,361



Investments Purchased and Sold during the year

Particulars	Nos.	Cost (Rs.)
SBI-SHDF-SHORT TERM-INSTITUTIONAL PLAN-WEEKLY DIVIDEND	3086395.688	31140027
SBI-MAGNUM MONTHLY INCOME PLAN- GROWTH OPTION	265652.229	5000000
SBI- MAGNUM INCOME PLUS FUND-INVESTMENT PLAN- GROWTH	322148.3429	5000000
SBI- MAGNUM EQUITY FUND- DIVIDEND	145900.204	5000000
BHARTI AXA SHORT TERM INCOME FUND	3980188.476	40276971
RELIGARE FIXED MATURITY PLAN- SERIES V PLAN D - GROWTH	2000000	20000000
ICICI PRUDENTIAL FMP SERIES 55 1 YEAR PLAN A - CUMULATIVE	2000000	20000000
RELIANCE MONTHLY INCOME PLAN - GROWTH PLAN	1185685.834	25000000
HDFC EQUITY FUND -DIVIDEND OPTION- REINVESTMENT	160761.365	7500000
HDFC EQUITY FUND -GROWTH OPTION-	33943.100	10000001
RELIANCE SMALL CAP FUND- GROWTH PLAN	250000	2500000
HDFC CASH MANAGEMENT FUND- TREASURY ADVANTAGE PLAN-		
WHOLE SALE WEEKLY DIVIDEND	1009732.847	10121525
MORGAN STANLEY ACE FUND- GROWTH PLAN	703201.140	10075215
IDFC MONEY MANAGER FUND-INVESTMENT PLAN-A WEEKLY DIVIDEND	4040342.813	40496054
PRAMERICA DYNAMIC MONTHLY INCOME FUND - GROWTH OPTION	500000	5000000
PRAMERICA DYNAMIC FUND- GROWTH	200000	2000000
PRAMERICA EQUITY FUND- GROWTH	200000	2000000
ICICI PRUDENTIAL DYNAMIC PLAN- GROWTH	93112.934	10050000
RELIANCE FLOATING RATE FUND-SHORT TERM PLAN-		
WEEKLY DIVIDEND	1011987.689	10211667
FRANKLIN TEMPLETON INDIA DYNAMIC PE RATIO FUNDS OF FUNDS	291762.652	11500000
TEMPLETON INDIA SHORT TERM INCOME PLAN	54507.027	61121618
RELIANCE DYNAMIC BOND FUND	1617913.54	20000000
MORGAN STANLEY SHORT TERM BOND FUND-WEEKLY DIVIDEND	1000341.36	10063115
ICICI PRUDENTIAL SHORT TERM INCOME PLAN- DIVIDEND OPTION	5241532.09	61627236
ICICI PRUDENTIAL FLEXI INCOME PLAN PREMIUM- DAILY DIVIDEND	92463.596	10076638
BIRLA SUNLIFE DYNAMIC BOND FUND-RETAIL PLAN-		
MONTHLY DIVIDEND	5852979.49	60989465
CHARTERED CAPITAL AND INVESTMENT LIMITED SHARES	45732	1627749

Schedule of Investments

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	Book Value	Market Value	Book Value	Market Value
Quoted Investments				
SBI-SHDF-SHORT TERM-INSTITUTIONAL PLAN-WEEKLY DIVIDEND	---	---	30744860	30818463
SBI- MAGNUM MONTHLY INCOME PLAN- GROWTH OPTION	---	---	5000000	5094386
SBI- MAGNUM INCOME PLUS FUND- INVESTMENT PLAN- GROWTH	---	---	5000000	5007506
SBI- MAGNUM EQUITY FUND- DIVIDEND	---	---	5000000	4377006
CHARTERED CAPITALAND INVESTMENT LIMITED	1627749	1916171	---	---
BHARTIAXA SHORT TERM INCOME FUND	20194309	20176217	---	---
RELIGARE FIXED MATURITY PLAN- SERIES V PLAN D - GROWTH	20000000	20434000	---	---
ICICI PRUDENTIAL FMP SERIES 55 1 YEAR PLAN A - CUMULATIVE	20000000	20349200	---	---
RELIANCE MONTHLY INCOME PLAN - GROWTH PLAN	25000000	25678042	---	---
HDFC EQUITY FUND -DIVIDEND OPTION- REINVESTMENT	7500000	7693074	---	---

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	Book Value	Market Value	Book Value	Market Value
Quoted Investments (Contd...)				
HDFC EQUITY FUND-GROWTH OPTION	1876454	1903006	---	---
RELIANCE SMALL CAP FUND-GROWTH PLAN	2500000	2377825	---	---
HDFC CASH MANAGEMENT FUND-TREASURY ADVANTAGE PLAN				
WHOLESALE WEEKLY DIVIDEND	125100	125193	---	---
MORGAN STANLEY ACE FUND-GROWTH PLAN	10075215	10543798	---	---
IDFC MONEY MANAGER FUND-INVESTMENT PLAN-A				
WEEKLY DIVIDEND	40496054	40497568	---	---
PRAMERICA DYNAMIC MONTHLY INCOME FUND - GROWTH OPTION	5000000	5000000	---	---
PRAMERICA DYNAMIC FUND-GROWTH	2000000	1956000	---	---
PRAMERICA EQUITY FUND- GROWTH	2000000	1916000	---	---
ICICI PRUDENTIAL DYNAMIC PLAN- GROWTH	10050000	10172122	---	---
RELIANCE FLOATING RATE FUND-SHORT TERM PLAN-WEEKLY DIVIDEND	3706137	3715336	---	---
FRANKLIN TEMPLETON INDIA DYNAMIC PE RATIO FUNDS OF FUNDS	11500000	11857088	---	---
TOTAL	183651018	186310640	45744860	45297361

15. Sale of Valve Division

The Company has sold its valve division as a going concern to Circor Flow Technologies India Private Limited as per Business Purchase Agreement dated 01/04/2010 at a purchase price of Rs. 22 crores. The purchase price of Rs. 22 crores was based on the value of net fixed assets and net current assets as on 31/12/2009. The difference between the value of net fixed assets and net current assets on date of completion (31/05/2010) & (31/12/2009) was agreed to be adjusted in the purchase price of Rs. 22 crores. Thus the net consideration to be received from Circor Flow Technologies India Private Limited was Rs 20.75 crores.

- 16.** 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.
- 17.** Balance of various accounts included in sundry debtors, sundry creditors and other advances 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 APAJAMIN & 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 : 30/07/2011

PLACE : AHMEDABAD
DATE : 30/07/2011



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.	14293	State Code	04
Balance Sheet	March 31, 2011	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	5968.87	Total Assets	5968.87
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SOURCES OF FUNDS

Paid-up Capital	425.80	Unsecured Loans	15.00
Secured Loans	5.81	Deferred Tax Liability	160.90
Reserves & Surplus	5361.37		

APPLICATION OF FUNDS

Net Fixed Assets	1562.09	Investments	1833.86
Net Current Assets	2572.92	Miscellaneous Expenditure	Nil
Accumulated Losses	Nil		

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

Turnover (including other income)	8468.37	Total Expenditure	7398.25
Profit before Tax	1118.82	Profit after Tax (including proceeds of sale of valve division)	1892.58
Earnings per Share after extra-ordinary item of sale of valve division	Rs. 44.45	Dividend Rate (including interim dividend)	70.00%

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
Thermo Compressors	84196000



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 21st ANNUAL GENERAL MEETING of the company held at the Registered Office at C/1-39/13/16, GIDC, Naroda, Ahmedabad - 382 330, on Tuesday, 27th September, 2011.

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 21st ANNUAL GENERAL MEETING of the company to
be held on Tuesday, 27th September, 2011.

Signed this _____ day of _____ 2011

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.