



**23rd ANNUAL REPORT  
2012 - 2013**



## MAZDA LIMITED

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### BOARD OF DIRECTORS :

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

### FINANCIAL CONTROLLER :

CYRUS J. BHAGWAGAR

### COMPANY SECRETARY :

NISHITH C. KAYASTH

### REGISTERED OFFICE :

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

### BANKERS :

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

### AUDITORS :

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

### SHARES LISTED AT :

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

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

### REGISTRAR & SHARE TRANSFER AGENT :

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



## NOTICE

NOTICE is hereby given that the Twenty Third 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, 17<sup>th</sup> September, 2013 at 09.30 a.m.** to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2013 and the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend for the year ended on 31<sup>st</sup> March, 2013.
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. Samuel W. Croll-III, 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.

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

By Order of the Board,

Date : 03/08/2013

**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 7<sup>th</sup> September, 2013 to 14<sup>th</sup> September, 2013 (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 6<sup>th</sup> September, 2013. 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.
- (8) Keeping in view the objective underlying the Circular issued by MCA for "Green Initiative in the Corporate Governance", the Company proposes treating the e-mail addresses available in the records of the Company as the registered e-mail id for the purposes of Clause 32 of the Listing Agreement and accordingly the Company proposes to send the notice calling the Annual General Meeting and Annual Reports containing its Balance Sheet, Profit & Loss Account and Directors' Report etc. for the year ended 31st March, 2013 and other communication, in electronic form, to the email addresses of those members which are available in the records of the Company. In case however, you desire to receive the documents in physical form in future, you can submit your request to mazda@shareproservices.com. The email regarding the same has already been forwarded to all the registered email addresses on 14/08/2013.

As and when you wish to register your email address or there is a change in your e-mail address, you are requested to approach your Depository Participant (if you are holding shares in demat mode) / Sharepro Services (India) Pvt. Ltd., Registrar and Transfer Agents of the Company (if you are holding shares in physical mode), as the case may be.

Please note that you will continue to be entitled to be furnished, free of cost, with a physical copy of the Annual Report of the Company and all other communication that may be sent to you electronically, upon receipt of a requisition from you, as a Member of the Company.

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

By Order of the Board,

Date : 03/08/2013

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



## DIRECTORS' REPORT

To,  
THE MEMBERS,  
MAZDA LIMITED

Your Directors have pleasure in presenting the Twenty Third Annual Report on the business and operations of the company together with the Audited Accounts for the year ended March 31, 2013.

### 1. FINANCIAL RESULTS

(₹ in Lacs)

Sr. No.	Particulars	2012-13	2011-12
i.	<b>Total revenue</b>	<b>12254.72</b>	<b>10471.54</b>
ii.	Less: Total expenditure	10160.81	8813.91
iii.	<b>Profit before depreciation, finance cost &amp; tax</b>	<b>2093.91</b>	<b>1657.63</b>
iv.	Less: Finance cost	73.22	113.28
v.	Less: Tax Expenses	638.61	429.71
vi.	<b>Cash Profit</b>	<b>1382.08</b>	<b>1114.64</b>
vii.	Less: Depreciation	142.92	102.24
viii.	Less: Prior period items	2.60	13.63
ix.	<b>Profit for the year</b>	<b>1236.56</b>	<b>998.77</b>
x.	<b>Balance of Profit brought forward</b>	<b>5196.15</b>	<b>4495.33</b>
xi.	<b>Total Profit available for appropriation</b>	<b>6432.71</b>	<b>5494.10</b>
xii.	Transfer to general reserve	125.00	100.00
xiii.	Proposed Dividend	212.90	170.32
xiv.	Dividend Tax	36.18	27.63
xv.	<b>Profit carried to Balance Sheet</b>	<b>6058.63</b>	<b>5196.15</b>

### 2. DIVIDEND

The Board of Directors have recommended a final dividend of 50% to its equity shareholders i.e. ₹ 5/- per equity share of ₹ 10/- each (Previous year ₹ 4/- per equity share of ₹ 10/- each). The payment of final dividend is subject to the approval of the Shareholders at the ensuing Annual General Meeting.

### 3. TRANSFER TO GENERAL RESERVE

Your directors propose to transfer the amount of ₹125.00 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

In spite of global slowdown and difficult economic conditions in India, our company has consistently maintains growth rate in terms of turnover and profits. In the current year under review, the turnover of the company was ₹120.73 Crores against ₹103.08 Crores for the previous year showing an increase by 17%. The Profit before Tax for the year is ₹18.77 Crores as against ₹14.42 Crores for the previous year showing an increase by 30%.



## 5. FINANCE AND ACCOUNTS

During the year under review, your company has regularly paid the principal and interest to the term lender and there has been no default towards them. The company is at present using financial assistance in the form of working capital facilities from State Bank of India, Ahmedabad. Your company has overall banking limits of ₹19.38 Crores to capture its fund requirements. As your company is sufficiently funded from the internal accruals and cash accrual from sale of valve division, the company has invested in short term market instruments like fixed maturity plans, mutual funds and debt funds.

During the year under review, ICRA has conducted the surveillance of credit facilities and improved the long term credit ratings to 'A' from 'A(-)' and short term credit ratings reaffirmed to 'A1'. The outlook of the long term ratings is stable. Improvement in the long term credit rating displays the strong credibility of the company.

## 6. MANAGEMENT DISCUSSION AND ANALYSIS

### (a) Industry Structure and Developments:

The Indian economy growth rate through the year 2012-13 is lowest in the decade owing to various factors including lack of policy initiatives, high inflation and a decline in investment, caused by investor pessimism about domestic economic reforms and about the global situation.

#### Engineering Business:

There has been a good growth of 17% in the engineering business in the year under review. The main contributors to the growth have been the export business which has grown by 77% and the evaporator business which has grown by 34%. This growth in the above businesses has resulted in better profitability for the company.

#### Food Business:

During the year under review, installation of faster machinery and increased capacity, help BCool reach all its growth targets for this year. With a new focus on helping customers with turnkey projects and new products, BCool has stepped into a new foray of business. Our previously launched Natural Extracts and food flavouring lines have made a successful footprint in the international market and that line continues to grow. We will continue to focus our efforts in trying to offer our customers healthier and natural food products via our research and development into natural ranges. BCool continues to become an identifiable brand name in the international market as several customers approaching us for new products and new developments.

### (b) Segment-wise Performance:

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

Your company's performance in the engineering sector has improved by way of increase in turnover by 17% and the profit in the engineering sector has improved by 24%.

The food business has continued to grow which reflects by an increase in turnover by 29% and the profit of the food business has increased tremendously by 71%.

### (c) Outlook:

There may not be any major policy initiatives taken to spur the growth in economy of India. The forecast of GDP growth in India is around 6%. The engineering sector is affected by the overall recession. The outlook of our company remains stable, as we are focusing on growth of vacuum export business and evaporator business. Cost reduction will continue to be a focus area to ensure profitability.

Your company has entered into a Collaboration Agreement with 'Inven Absorption GmbH', Germany for design and manufacture of Vapor Absorption Machines for domestic as well as export market.

Your company is constantly striving to improve the technology to provide total solutions for Zero Liquid Discharge for effluents for Agro, Pesticides, Chemicals & dyes industries. With this in view, we are in negotiations with few companies for sourcing technology for Zero Liquid Discharge.



**(d) Opportunities and threats:**

The primary threat to the company is overall slowdown in the engineering sector. Due to lack of government initiative, the capital projects are held up or delayed which cause pressure on your company by way of delayed or cancelled orders. However, by concentrating on quality, Research & Development and strong brand image have helped your company to secure orders from quality customers.

Our focus on innovation ensures that we stay ahead of competition especially in the evaporator business. Value analysis and value engineering initiatives has helped offset inflation and differentiate your company's products from the competition.

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

Your company has a proper and adequate system of controls in order to ensure that all assets are safeguarded against loss from unauthorised use or disposal. All transactions are properly checked, verified, recorded and reported correctly.

Your company has adequate internal control system and by way of regular internal audit checks are carried out to ensure that the responsibilities are executed effectively and that proper and adequate systems are in place.

The company's internal process covers amongst others, process of identification, assessment and mitigation of various risks, including operational, product and financial risks. Such risks are reviewed and discussed at regular management review meetings, wherein senior management members are present. The business risks that are continuously monitored include, but are not limited to product, price, raw material pricing, financing, technical changes, product guarantee and insurance risks. Risk assessments, inspection and safety audits are conducted regularly.

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

Occupational safety and environmental protection an important part of our company's management principles. We acknowledge our responsibility towards employees, society, and future generations. Using energy efficient resources and improving energy efficiency and many other practical environment protection measures are important components of our company's sustainable management process.

Employee safety at workplace is utmost important to us therefore we train all our employees to make them aware about safety standards and strengthen their safety skills in routine work practice.

Your company's manufacturing facility at all four units and corporate office are OHSAS 18001:2007 and ISO 9001:2008 & 14001:2004 certified.

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

In our company, we consider employees as our most important asset and create an environment wherein they feel secure and positive atmosphere in the organization. We encourage our employees to involve themselves into the success of the organization by way of providing independence to take decisions, accepting their failures and success and to share their experiences with other fellow subordinates.

The company has employed 211 personnel as at 31/03/2013. All the employees are having the required qualifications to perform their jobs. Your company is providing technical guidance to skill development institutions by way of providing training to the engineering students. The industrial relations during the year continued to be cordial and peaceful.

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.

**7. EXPORTS AND TECHNOLOGY DEVELOPMENTS**

Exports for the year were at ₹ 38.60 Crores as compared to ₹ 21.84 Crores for the previous year increasing by almost 77% compared to the last year. The export business of your company has shown tremendous growth in spite of global recession.

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



#### **8. FIXED DEPOSITS**

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

#### **9. DIRECTORS**

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

Mr. Samuel W. Croll-III, 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.

#### **10. DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31<sup>st</sup> March, 2013 and of the profit of the company for the year ended on that date;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts on a going concern basis.

#### **11. REPORT ON CORPORATE GOVERNANCE**

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

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

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

#### **13. STATUTORY AUDITORS**

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





**14. COST AUDITOR**

As per the Circular of MCA Order No. F. No. 52/26/CAB-2010 dated 24/01/2012 ordering the Cost Audit of products falling under certain chapter heads of excise. Your company is falling within that order and hence appointed Mr. V.H.Shah, Cost Accountant as Cost Auditor to conduct cost audit for the financial year 2013-14.

**15. APPRECIATION**

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

**16. CAUTIONARY NOTE**

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

For and on behalf of the Board,

Place : Ahmedabad  
Date : 03/08/2013

**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.	<b>Research &amp; Development (R&amp;D)</b>	
A.	Specific areas in which R&D carried out by the company	Product improvement, Energy efficiency and Technological improvements
B.	Benefits derived as a result of the above R&D	Improvement in product designs, energy conservation, development of new range of products
C.	Future plan of action	To achieve energy conservation and Zero Impact Manufacturing Initiative and to improve quality and develop new range of products
D.	Expenditure on R&D a. Capital b. Recurring c. Total d. Total R&D expenditure as a percentage of total turnover	} Not bifurcated
2.	<b>Technology absorption, adaptation and innovation</b>	
A.	Efforts, in brief, made towards technology absorption, adaptation and innovation	Collaboration Agreement has been signed with Inven Absorption GmBH, Germany to import technology for manufacturing of Vapor Absorption Machinery
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	} In process



### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

#### Foreign Exchange Inflow:

• Exports on FOB basis	₹	36,47,95,273
• Equipment repairs income	₹	8,64,948
• Consultancy Income	₹	5,02,772
• Miscellaneous Income	₹	10,25,115
<b>TOTAL</b>	₹	<b>36,71,88,108</b>

#### Foreign Exchange Outgo:

• On Foreign Travel	₹	15,80,349
• On Subscription	₹	1,72,696
• On Purchase of Materials	₹	3,06,78,315
• Payment of Dividend	₹	11,58,000
• Registration fees	₹	2,84,033
• Equipment repairs expenses	₹	5,13,506
• Sales commission expenses	₹	7,17,958
• Sales promotion expenses	₹	21,812
<b>TOTAL</b>	₹	<b>3,51,26,669</b>

### ANNEXURE – B TO DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2013.

Sr. No.	Name	Designation	Remuneration* (₹)	Qualification	Experience (Yrs)	Commencement of Employment	Age (Yrs)	Particulars of Last Employment/ Employer/ Last Post & Period for which post held
1.	Sorab R. Mody	Managing Director	84,00,000	B.Com.	34	01/12/1991	67	J.N. Marshall Ltd. - Branch Manager

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

For and on behalf of the Board,

Place : Ahmedabad  
Date : 03/08/2013

**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

The Philosophy of the company in relation to Corporate Governance is to ensure transparent disclosures and reporting that conforms fully to different laws, regulations and guidelines, and to promote ethical conduct throughout the organization with the primary objective of enhancing shareholders' value. Corporate Governance as a whole entails the conduct and the manner in which the company deals with its stakeholders.

While complying with the corporate governance policy, the company is fully committed to integrity, transparency and accountability towards dealings with the government, customers, suppliers, employees and other stakeholders. The company is committed to attain the highest standards of Corporate Governance.

### 2. BOARD OF DIRECTORS

The Board of Directors ('The Board') closely monitors the business plans, reviews the strategy and looks into the business prospects compared to whole industry segment. The Board ensures statutory and ethical conduct in overall financial transactions and holds itself accountable to the shareholders as well as other stakeholders for the long term plans of the company.

#### (a) Composition of Board

In compliance with the Corporate Governance norms in terms of constitution of the Board, headed by Non-executive & Independent Chairman, the Board currently has 3 Executive Directors and 7 Non-executive Directors having knowledge and experience to ensure the functions of governance and management.

The list of the Board Meetings held during the year, attendance of the directors at the meetings and their membership / Chairmanship in the Committees and the no. of directorships in other companies excluding Private Companies and our company are mentioned below:

Name of the Directors	Category of Directors	No. of Board Meetings Held while holding the office	Attended while holding the office	Attendance at the last AGM	No. of Directorship in other Companies	No. of Committees in which Member / Chairman
Dr. Nanalal C. Mehta (Chairman)	Non-Executive & Independent	4	4	No	NIL	NIL
Mr. Sorab R. Mody (Managing Director)	Promoter & Executive	4	3	Yes	NIL	NIL
Mr. Mohib N. Khericha	Non-Executive & Independent	4	4	Yes	6	5 / 2
Mr. Samuel W. Croll-III	Non-Executive	4	0	No	NIL	NIL
Mr. Dady K. Contractor	Non-Executive & Independent	4	2	No	2	2 / 0
Mrs. Sheila S. Mody	Non-Executive	4	4	Yes	NIL	NIL
Mrs. Houtoxi F. Contractor	Non-Executive	4	0	No	NIL	NIL
Mr. Harbhajansingh B. Khalsa	Non-Executive & Independent	4	3	No	NIL	NIL
Mr. Percy X. Avari	Executive	4	4	Yes	NIL	NIL
Mrs. Shanaya Mody Khatua	Executive	4	0	No	NIL	NIL



**(b) Remuneration of directors**

Non-executive directors are paid sitting fees only for their directorship in your company. The details of remuneration paid to directors for the year ended 31<sup>st</sup> March, 2013 are as follows:

Name of Directors	Sitting Fees	Salaries, Perquisites & other Allowances	Commission	Total
	(₹)	(₹)	(₹)	(₹)
Dr. Nanalal C. Mehta (Chairman)	80,000	NIL	NIL	80,000
Mr. Sorab R. Mody (Managing Director)	NIL	35,52,400	48,47,600	84,00,000
Mr. Mohib N. Khericha	80,000	NIL	NIL	80,000
Mr. Samuel W. Croll-III	NIL	NIL	NIL	NIL
Mr. Dady K. Contractor	20,000	NIL	NIL	20,000
Mrs. Sheila S. Mody	88,000	NIL	NIL	88,000
Mrs. Houtoxi F. Contractor	NIL	NIL	NIL	NIL
Mr. Harbhajansingh B. Khalsa	60,000	NIL	NIL	60,000
Mr. Percy X. Avari	NIL	35,52,400	16,75,740	52,28,140
Mrs. Shanaya Mody Khatua	NIL	35,52,400	16,75,740	52,28,140

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

The Board meets at least once in a quarter inter-alia to review the performance of the company and consideration of quarterly financial results. The four Board meetings were held in a year are as follows:

14 May 2012                      04 August 2012                      03 November 2012                      02 February 2013

**3. REMUNERATION COMMITTEE**

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

There is no meeting held during the year under review.

**4. AUDIT COMMITTEE**

The Audit Committee is comprised of Dr. Nanalal C. Mehta, Mr. Mohib N. Khericha and Mr. Harbhajansingh B. Khalsa. Wherein, Mr. Mohib N. Khericha acts as a Chairman of the Audit Committee. The Company Secretary acts as the secretary to the Committee. All the members of the Audit Committee are non-executive and independent directors. All the members are financially literate to understand the financials of the company.

**Terms of Reference of the Audit Committee**

The terms of reference of this Committee include matters specified in the Companies Act, 1956, Listing Agreement and those specified by the Board in writing. The Committee acts as a link amongst the Management, Auditors and Board of Directors.

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:



- Oversight of the Company's financial reporting process and disclosure of its financial information.
- Reviewing with the Management the quarterly, half-yearly and the annual financial statements before submission to the Board.
- Review of the adequacy of internal control systems with the Management, internal auditors and statutory auditors.
- Reviewing the adequacy of internal audit function.
- Recommending to the Board, the appointment / re-appointment of statutory auditors and fixation of fees.
- Discussion with statutory auditors about the scope of audit as well as have pre-audit discussion to ascertain any area of concern.
- Review of company's financial risk and management policies.
- Carrying out such other functions as may be specified by the Board from time to time.

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

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

14 May 2012                                      04 August 2012                                      03 November 2012                                      02 February 2013

Mr. Mohib N. Khericha and Dr. Nanalal C. Mehta were present in all the meetings and Mr. Harbhajansingh Khalsa has attended all the meetings except the meeting held on 2<sup>nd</sup> February, 2013. The Chairman of the Audit Committee has attended the Annual General Meeting of the company.

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

The Shareholders' Grievance/ Share Transfer Committee are constituted by the Board of Directors which consists of following Directors viz. Dr. Nanalal C. Mehta, Mr. Percy X. Avari and Mrs. Sheila S. Mody.

During the year, the Committee met as and when required and all the members attended the meetings. The Committee looks into the redressal of Shareholders' Grievances, which are summarized as follows:

- Approving transfer and transmission of shares
- Issue of duplicate share certificates
- Approving split and consolidation of requests
- Reviewing dematerialization of shares
- All other matters related to shareholders

All other queries like non-receipt of Annual Reports, dividends, change of addresses etc., were resolved to the satisfaction of the shareholders. During the year, 21 complaints were received from the Shareholders which have been resolved to the satisfaction of the shareholders. There was no outstanding complaint at the beginning of the year or at the end of the year.

#### **6. GENERAL BODY MEETINGS**

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

Meeting	Year	Venue	Date & Time	No. of Special resolution
22nd AGM	2011-2012	C/1-39/13/16 G.I.D.C., Naroda, Ahmedabad – 382 330	25 September 2012 at 9.30 AM	No
21st AGM	2010-2011	C/1-39/13/16 G.I.D.C., Naroda, Ahmedabad – 382 330	27 September 2011 at 9.30 AM	No
20th AGM	2009-2010	C/1-39/13/16 G.I.D.C., Naroda, Ahmedabad – 382 330	28 September 2010 at 9.30 AM	No



## 7. DISCLOSURES

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

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

- 1) **Dr. Nanalal C. Mehta, Chairman of the company retires by rotation and being eligible offers himself for re-appointment.**  
Dr. Nanalal C. Mehta aged 88 years, has been on the Board of the company since 1992. He has done his P.hd. 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. Samuel W. Croll -III, director of the company retires by rotation and being eligible offers himself for re-appointment.**  
Mr. Samuel Croll-III aged 64 years, is CEO of the Croll Reynolds Company Inc. He has done his B.A. and M.A. from Skidmore College, Yale University. His vast experience in the field of engineering products and business relationship with Croll Reynolds since 1992 helps the company to grow at global level.  
He is not a director in any other company except Mazda Limited in India. He is not holding any membership/ chairmanship in any company in India.  
He is also a CEO of Croll Reynolds International Inc. who is holding 2, 89,500 equity 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 85 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:**
  - The Victoria Mills Limited
  - IL&FS Trust Company Limited**Details of Member/Chairmanship in other committees:**
  - Member of Audit Committee of IL&FS Trust Company Limited.
  - Member of Allotment & Transfer Committee of IL&FS Trust Company Limited.He is holding 5000 shares in your company.



## 9. MEANS OF COMMUNICATION

- Half-Yearly report sent to each household of shareholders No
- Quarterly Results –Newspapers in which normally published Business Standard (English edition) & Prabhat ( Gujarati edition)
- Web site, where displayed At Companies web site [www.mazdalimited.com](http://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

## 10. GENERAL SHAREHOLDERS INFORMATION

- AGM - Date Tuesday 17<sup>th</sup> September, 2013
- - Time 9.30 AM
- - Venue C/1-39/13/16 G.I.D.C., Naroda, Ahmedabad- 382 330
- Financial Calendar (Tentative) April 2013 to March 2014
  - (a) First Quarter Results First week of August 2013
  - (b) Second Quarter Results First week of November 2013
  - (c) Third Quarter Results First week of February 2014
  - (d) Fourth Quarter Results Last week of May 2014
  - (e) Results for the year ending May 2014  
March 2013 (Audited)
- Date of Book Closure 7<sup>th</sup> September, 2013 to 14<sup>th</sup> September, 2013 (Both days inclusive)
- Dividend Payment Date (Tentative) 4<sup>th</sup> October, 2013
- Listing on Stock Exchanges
  - Bombay Stock Exchange Limited
  - Ahmedabad Stock Exchange Limited
 Listing fees for the period 2013-2014 has been paid to the stock exchanges.
- Stock Code Bombay Stock Exchange Limited: 523792  
Ahmedabad Stock Exchange Limited: 36100
- Demat ISIN No. For NSDL and CDSL INE885E01034
- CIN NO. L29120GJ1990PLC014293
- Registrar and Share Transfer Agent Sharepro Services (India) Pvt. Ltd.  
13-AB, Samhita Warehousing Complex,  
Sakinaka Tel. Exch. Lane, Andheri Kurla Road,  
Sakinaka, Mumbai-400 072.  
Phone No. (022) 67720300
- Share Transfer System Transfers of Shares are processed by the Share Transfer Agents and approved by the Share Transfer Committee, which meets at frequent intervals. Share transfers are registered and returned within 15 days from the date of receipt, if the relevant documents are complete in all respects.
- Name and email address of the Compliance officer of the company Mr. Nishith C. Kayasth, Company Secretary  
Email: [nishith@mazdalimited.com](mailto:nishith@mazdalimited.com)
- Dematerialisation of shares and liquidity 91.04% of the paid-up capital has been dematerialised as on March 31, 2013.
- Plant Location
  - Unit-I** C/1-39/13/16 GIDC, Naroda, Ahmedabad- 382 340
  - Unit-II** Plot No. 11 & 12, Hitendranagar Sahakari Vasahat Ltd., N.H. Road, Naroda, Ahmedabad- 382 340
  - Unit-III** C/1, A-5, GIDC, Odhav, Ahmedabad-382 415
  - Unit-IV** Plot No. 17/1, Phase-III, GIDC, Naroda, Ahmedabad- 382 340





- Address for correspondence

**Mazda Limited - Corporate Office:**

650/1, Mazda House, Panchvati 2<sup>nd</sup> Lane,  
Ambawadi, Ahmedabad- 380 006.

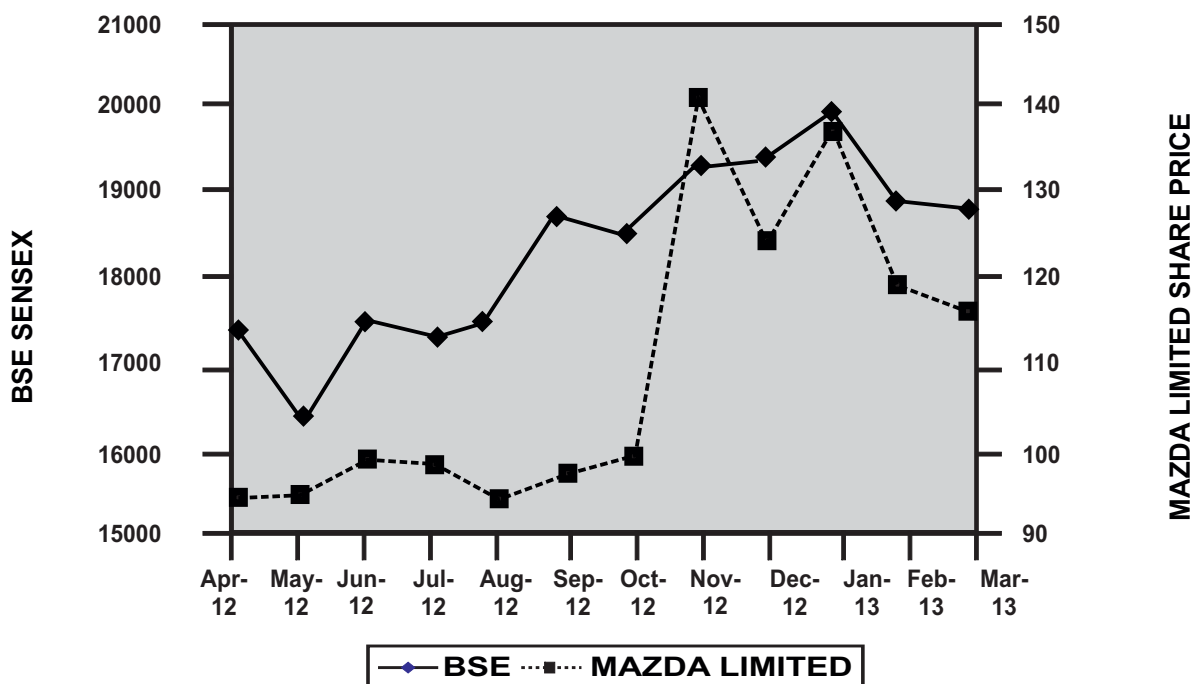
Shareholders holding shares in electronic mode should address all their correspondence to their respective depository Participant for any queries related to change of address or change in bank mandate.

- Monthly Highs and Lows of Market Price of the Company's Shares Traded on Bombay Stock Exchange Limited for the period April 2012 to March 2013:

Month	Bombay Stock Exchange Limited (BSE)	
	High	Low
April, 2012	97.90	87.10
May, 2012	99.45	82.55
June, 2012	100.00	88.20
July, 2012	104.05	94.20
August, 2012	106.00	91.85
September, 2012	98.50	88.25
October, 2012	104.85	92.10
November, 2012	148.00	93.60
December, 2012	143.20	115.50
January, 2013	140.00	120.00
February, 2013	146.90	118.00
March, 2013	127.00	112.00

Source: BSE Website

- Stock Price Performance in comparison to BSE Sensex





- Shareholding pattern as on March 31, 2013

Categories	No. of Shares held	% of Total Shareholding
<b>Promoter's Holding</b>		
Promoters and its group (Indian)	14,67,311	34.46
Foreign Promoters	NIL	NIL
<b>Sub-Total</b>	<b>14,67,311</b>	<b>34.46</b>
<b>Non-promoter's Holding</b>		
Mutual Funds	9,230	0.22
Banks	800	0.02
Domestic Companies	3,11,764	7.32
Indian Public	20,22,836	47.50
NRIs	1,56,559	3.68
Foreign Company	2,89,500	6.80
<b>Sub-Total</b>	<b>27,90,689</b>	<b>65.54</b>
<b>Grand-Total</b>	<b>42,58,000</b>	<b>100.00</b>

- Distribution of shareholding as on March 31, 2013

Shareholding	Shareholders		No. of shares	
	Folios	% of total Nos.	Shares	% of total shares
Less than 500	3524	86.54	4,52,049	10.62
501 to 1000	241	5.92	1,99,201	4.68
1001 to 2000	137	3.36	2,10,133	4.93
2001 to 3000	46	1.13	1,16,837	2.74
3001 to 4000	21	0.52	78,362	1.84
4001 to 5000	21	0.52	1,00,084	2.35
5001 to 10000	39	0.96	2,71,994	6.39
10001 and above	43	1.05	28,29,340	66.45
<b>Total</b>	<b>4072</b>	<b>100.00</b>	<b>42,58,000</b>	<b>100.00</b>

- Transfer to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 205A read with Section 205C of the Companies Act, 1956 the unpaid/unclaimed dividend pertaining to the financial year 2004-05 declared as final dividend of ₹ 1,66,367/- and pertaining to the financial year 2005-06 declared as interim dividend of Rs. ₹ 79,518/- was lying in the company's separate unpaid dividend accounts and remaining unclaimed for a period of seven years, was transferred to the IEPF.

For and on behalf of the Board,

Place : Ahmedabad  
Date : 03/08/2013

**Sorab R. Mody**  
Managing Director



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

**To,  
The Board of Directors**

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

1. We have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2013 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 : 03/08/2013

**Cyrus J. Bhagwagar**  
Financial Controller

**Sorab R. Mody**  
Managing Director



## AFFIRMATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT

### The Members of the company

The Board of Directors of the company has adopted a Code of Conduct for all the Board members and senior executives of the company, including the Managing Directors have affirmed compliance with the Code of Conduct applicable to them in respect of the year ended 31<sup>st</sup> March, 2013.

Place : Ahmedabad  
Date : 03/08/2013

**Sorab R. Mody**  
Managing Director

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## COMPLIANCE CERTIFICATE FOR CORPORATE GOVERNANCE

### To the members of Mazda Limited,

We have examined the compliance of conditions of Corporate Governance by Mazda Limited for the year ended 31<sup>st</sup> March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges in India.

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

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

We state that in respect of investors grievances received during the year ended 31<sup>st</sup> March, 2013, 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 : 03/08/2013

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



## INDEPENDENT AUDITORS' REPORT

To the Members of MAZDA LIMITED

### Report on the Financial Statements

1. We have audited the accompanying financial statements of **Mazda Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
  - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
  - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - ii) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from branches not visited by us];
  - iii) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account [and with the returns received from branches not visited by us];
  - iv) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - v) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - vi) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**FORAPAJIAMIN & CO.,**  
Chartered Accountants  
Firm Registration No. 100513W

Place : Ahmedabad  
Date : 25/05/2013

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



## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of **Mazda Limited** on the Financial Statements as of and for the year ended March 31, 2013)

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



8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. In respect of statutory dues:
  - a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2013 for a period of more than six months from the date of becoming payable.
  - b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other which have not been deposited on account of any dispute.
10. The Company has no accumulated losses and has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders as at the balance sheet date.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ society are not applicable to the Company.
14. The Company has no transactions relating to trading in securities, debentures and other investments.
15. According to information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us on an overall basis, the term loans have been applied for the purposes for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investments.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. During the period covered by Audit Report, the company has not issued any debentures. Therefore, a provision of clause 4(xix) of the Companies (Auditors' Report) Order, 2003 is not applicable to the company.
20. The Company has not raised any money by way of public issue during the year.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

**FORAPAJIAMIN & CO.,**  
**Chartered Accountants**  
**Firm Registration No. 100513W**

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

Place : Ahmedabad  
Date : 25/05/2013



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013

SR. NO.	PARTICULARS	NOTES	AS AT 31/03/2013 ₹	AS AT 31/03/2012 ₹
<b>I Equity And Liabilities</b>				
1.	<b>Shareholders' Funds</b>			
	(a) Share Capital	3	4,25,80,000	4,25,80,000
	(b) Reserves & Surplus	4	<u>71,49,66,269</u>	<u>61,62,18,874</u>
			<u>75,75,46,269</u>	<u>65,87,98,874</u>
2.	<b>Non-current Liabilities</b>			
	(a) Long Term Borrowings	5	---	15,00,000
	(b) Deferred Tax Liabilities (net)	6	1,86,56,509	1,45,09,509
	(c) Long Term Provisions	7	<u>4,25,886</u>	<u>42,84,327</u>
			<u>1,90,82,395</u>	<u>2,02,93,836</u>
3.	<b>Current Liabilities</b>			
	(a) Short Term Borrowings	8	2,41,32,533	1,00,98,810
	(b) Trade Payables	9	7,52,59,832	12,53,46,754
	(c) Other Current Liabilities	10	4,93,34,913	5,50,47,877
	(d) Short Term Provisions	11	<u>2,49,62,687</u>	<u>1,98,56,868</u>
			<u>17,36,89,965</u>	<u>21,03,50,309</u>
	<b>TOTAL</b>		<u>95,03,18,629</u>	<u>88,94,43,019</u>
<b>II Assets</b>				
1.	<b>Non-current Assets</b>			
	(a) Fixed Assets			
	(i) Tangible Assets	12	19,74,00,869	12,32,82,292
	(ii) Intangible Assets	13	18,97,476	23,32,067
	(iii) Capital Work-In-Progress	12	---	6,56,58,577
	(iv) Intangible Assets Under Development	13	14,69,750	14,69,750
	(b) Long Term Loans And Advances	14	<u>4,97,79,219</u>	<u>5,35,41,623</u>
			<u>25,05,47,314</u>	<u>24,62,84,309</u>
2.	<b>Current Assets</b>			
	(a) Current Investments	15	18,96,53,344	13,83,31,977
	(b) Inventories	16	16,23,56,104	19,55,40,434
	(c) Trade Receivables	17	24,19,49,636	23,49,97,609
	(d) Cash And Cash Equivalents	18	5,88,53,726	2,52,64,783
	(e) Short Term Loans And Advances	19	4,53,17,207	4,82,23,423
	(f) Other Current Assets	20	<u>16,41,298</u>	<u>8,00,484</u>
			<u>69,97,71,315</u>	<u>64,31,58,710</u>
	<b>TOTAL</b>		<u>95,03,18,629</u>	<u>88,94,43,019</u>

Summary of Significant Accounting Policies

2

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

AS PER OUR REPORT OF EVEN DATE

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

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

SORAB R. MODY  
MANAGING DIRECTOR

PERCY X. AVARI  
WHOLE-TIME 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 : 25/05/2013

PLACE : AHMEDABAD  
DATE : 25/05/2013





## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

SR. NO.	PARTICULARS	NOTES	YEAR ENDED 31/03/2013 ₹	YEAR ENDED 31/03/2012 ₹
<b>I</b>	<b>Revenue</b>			
	Revenue From Operations (gross)	21	<u>1,30,70,75,792</u>	<u>1,11,25,98,366</u>
	Less : Excise Duty		<u>9,97,71,289</u>	<u>8,18,00,175</u>
	Revenue From Operations (net)		<u>1,20,73,04,503</u>	<u>1,03,07,98,191</u>
	Other Income	22	<u>1,81,67,390</u>	<u>1,63,56,508</u>
	<b>Total Revenue - I</b>		<u>1,22,54,71,893</u>	<u>1,04,71,54,699</u>
<b>II</b>	<b>Expenses</b>			
	Cost of Raw Materials and Packing Materials Consumed (Increase)/Decrease in Finished, Traded and Work-In-Progress Inventories	23	<u>64,21,00,262</u>	<u>60,12,03,879</u>
	Manufacturing Expenses	24	<u>3,31,86,500</u>	<u>(3,28,61,563)</u>
	Employee Benefits Expenses	25	<u>13,41,06,923</u>	<u>12,40,74,198</u>
	Administrative & General Expenses	26	<u>10,01,69,138</u>	<u>9,36,27,638</u>
	Selling & Marketing Expenses	27	<u>5,87,15,367</u>	<u>4,61,12,630</u>
		28	<u>4,78,02,766</u>	<u>4,92,34,465</u>
	<b>Total Expenses - II</b>		<u>1,01,60,80,956</u>	<u>88,13,91,247</u>
<b>III</b>	<b>Earnings Before Interest, Tax, Depreciation and Amortisation (I - II)</b>		<u>20,93,90,937</u>	<u>16,57,63,452</u>
<b>IV</b>	Depreciation and Amortisation Expenses	12,13	<u>1,42,92,293</u>	<u>1,02,24,068</u>
<b>V</b>	Finance Costs	29	<u>73,21,598</u>	<u>1,13,28,190</u>
<b>VI</b>	<b>Profit Before Exceptional items &amp; Tax (III-IV-V)</b>		<u>18,77,77,046</u>	<u>14,42,11,194</u>
<b>VII</b>	<b>Exceptional Item - Prior Period items</b>		<u>(2,60,048)</u>	<u>(13,62,715)</u>
<b>VIII</b>	<b>Tax Expenses</b>			
	(i) Current Tax		<u>5,73,00,000</u>	<u>4,51,70,000</u>
	(ii) Deferred Tax		<u>41,47,000</u>	<u>(15,80,174)</u>
	(iii) Excess Provision of earlier years		<u>23,59,916</u>	<u>(6,80,459)</u>
	(iv) Wealth Tax		<u>54,451</u>	<u>61,852</u>
	<b>Total Tax Expenses</b>		<u>6,38,61,367</u>	<u>4,29,71,219</u>
<b>IX</b>	<b>Net Profit For The Year (VI-VII-VIII)</b>		<u>12,36,55,631</u>	<u>9,98,77,260</u>
	<b>Earnings Per equity Share</b>			
	<b>Basic and Diluted (in ₹)</b>			
	[Nominal Value of Share ₹ 10/- (March 31, 2012: ₹ 10/-)]			
	EPS before Extra Ordinary Items	32	<u>29.04</u>	<u>23.46</u>
	EPS after Extra Ordinary Items	32	<u>29.04</u>	<u>23.46</u>

Summary of Significant Accounting Policies

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

AS PER OUR REPORT OF EVEN DATE

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

FOR APAJI AMIN & CO.,  
CHARTERED ACCOUNTANTS,  
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PLACE : AHMEDABAD  
DATE : 25/05/2013

PLACE : AHMEDABAD  
DATE : 25/05/2013



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

PARTICULARS	Year ended 31/03/2013 ₹	Year ended 31/03/2012 ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit/(Loss) before extraordinary items and tax</b>	<b>18,77,77,046</b>	<b>14,42,11,194</b>
<u>Adjustments for:</u>		
Depreciation and amortisation	1,42,92,293	1,02,24,068
(Profit) / loss on sale / write off of assets	(19,438)	3,30,822
Interest Income	(25,11,404)	(14,01,653)
Loss on revaluation of Mutual Fund	9,50,450	23,29,573
Donation	16,63,200	78,552
Dividend Income	(65,75,057)	(34,13,517)
(Gain)/Loss on Forward Contracts	6,51,524	40,91,947
Gain on Sale of Investments	(7,89,548)	(47,86,831)
Interest paid	4,88,789	7,27,578
Security transaction Tax expenses	14,683	---
Net unrealised exchange (gain) / loss	3,90,393	(18,39,586)
	<u>85,55,885</u>	<u>63,40,953</u>
<b>Operating profit / (loss) before working capital changes</b>	<b>19,63,32,931</b>	<b>15,05,52,147</b>
<b>Changes in working capital :</b>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Trade receivables	(69,52,027)	(6,40,87,139)
Short-term loans and advances	29,06,216	(2,71,94,317)
Long-term loans and advances	4,37,065	2,02,84,923
Inventories	3,31,84,330	(5,08,58,628)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	(5,00,86,922)	2,15,29,667
Other current liabilities	(57,12,964)	1,76,89,449
Long-term provisions	(38,58,441)	16,53,037
Net unrealised exchange (gain) / loss	(3,90,393)	18,39,586
	<b>(3,04,73,136)</b>	<b>(7,91,43,422)</b>
<u>Cash flow from extraordinary items:</u>		
Donation	(16,63,200)	(78,552)
Prior Period Adjustment	(2,60,048)	(13,62,715)
	<u>16,39,36,547</u>	<u>6,99,67,458</u>
<b>Cash generated from operations</b>	<b>16,39,36,547</b>	<b>6,99,67,458</b>
Net income tax (paid) / refunds	(5,63,96,429)	(4,10,57,805)
<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES (A)</b>	<b>10,75,40,118</b>	<b>2,89,09,653</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets, including capital advances	(2,23,30,962)	(8,64,31,773)
Proceeds from sale of fixed assets	32,700	3,43,500
Purchase of current investment	(22,65,75,058)	(10,40,59,072)
Current Investments not considered as Cash and Cash equivalents		
- Proceeds from sale	17,50,78,104	15,15,70,104
Interest received	16,70,590	8,51,191
Dividend Income	65,75,057	34,13,517
	<u>(6,55,49,569)</u>	<u>(3,43,12,533)</u>
<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(6,55,49,569)</b>	<b>(3,43,12,533)</b>



PARTICULARS	Year ended 31/03/2013 ₹	Year ended 31/03/2012 ₹
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid	(1,70,32,000)	(1,49,03,000)
Dividend Distribution tax	(27,63,016)	(24,75,202)
Interest paid	(4,88,789)	(7,27,578)
Gain/(Loss) on Forward Contracts	(6,51,524)	(40,91,947)
Payments of Long term borrowings	(15,00,000)	---
Proceeds from short term borrowings	1,40,33,723	1,00,98,810
<b>NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES (C)</b>	<b>(84,01,606)</b>	<b>(1,20,98,917)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>3,35,88,943</b>	<b>(1,75,01,797)</b>
Cash and cash equivalents at the beginning of the year	2,52,64,783	4,27,66,580
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR [Note No. 18]</b>	<b>5,88,53,726</b>	<b>2,52,64,783</b>

**Notes:**

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

AS PER OUR ATTACHED  
REPORT OF EVEN DATE

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

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

PLACE : AHMEDABAD  
DATE : 25/05/2013

FOR AND ON BEHALF OF THE BOARD

**SORAB R. MODY  
MANAGING DIRECTOR**

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PLACE : AHMEDABAD  
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WHOLE-TIME DIRECTOR**

**NISHITH C. KAYASTH  
COMPANY SECRETARY**

**MOHIB N. KHERICHA  
DIRECTOR**



## NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2013

### 1. CORPORATE INFORMATION

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (A) BASIS OF ACCOUNTING

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

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

During the year ended March 31, 2013, the Revised Schedule VI notified under the Companies Act, 1956 has become applicable to the company, for preparation and presentation of its financial statements. The adoption of Revised Schedule VI does not impact the recognition and measurement principles followed for preparation of financial statements. However it has a significant impact on the presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

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

#### (C) TANGIBLE FIXED ASSETS

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

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

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

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



**(D) INTANGIBLE ASSETS**

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

**(E) RESEARCH AND DEVELOPMENT**

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

**(F) DEPRECIATION**

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

**(G) IMPAIRMENT OF ASSETS**

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

**(H) LEASES**

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

**(I) INVESTMENTS**

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

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

**(J) INVENTORIES**

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

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

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

**(K) REVENUE RECOGNITION**

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

**(I) SALE OF GOODS**

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

**(II) INTEREST**

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

**(III) EXPORT INCENTIVES**

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

**(IV) OTHER INCOME**

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

**(V) SERVICES**

Income from services is recognized when the services are rendered.

**(VI) DIVIDEND**

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

**(L) EXPENDITURE DURING CONSTRUCTION PERIOD**

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



**(M) FOREIGN CURRENCY TRANSACTION**

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

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

**(I) GRATUITY**

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

**(II) LEAVE ENCASHMENT**

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

**(III) PROVIDENT FUND**

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

**(O) INCOME TAXES**

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

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



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

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

**(P) EARNINGS PER SHARE**

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

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

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

**(Q) CASH AND CASH EQUIVALENTS**

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

**(R) DERIVATIVE INSTRUMENTS**

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

**(S) PROVISIONS**

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

**(T) CONTINGENT LIABILITIES**

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





**(U) BORROWING COSTS**

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

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

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

**(W) MEASUREMENT OF EBITDA**

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

**3. SHARE CAPITAL**

	31/03/2013		31/03/2012	
	No. of Shares	₹	No. of Shares	₹
<b>AUTHORISED SHARES</b>				
Equity Shares of ₹ 10/- each	5000000	5,00,00,000	5000000	5,00,00,000
TOTAL	<u>5000000</u>	<u>5,00,00,000</u>	<u>5000000</u>	<u>5,00,00,000</u>
<b>ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARES</b>				
Equity Shares of ₹ 10/- each fully paid- up	4258000	4,25,80,000	4258000	4,25,80,000
TOTAL	<u>4258000</u>	<u>4,25,80,000</u>	<u>4258000</u>	<u>4,25,80,000</u>

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

**EQUITY SHARES**

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

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

NAME OF THE SHARE HOLDER	31/03/2013		31/03/2012	
	No. of Eq. Shares	% Holding in the Class	No. of Eq. Shares	% Holding in the Class
Sorab R. Mody	965989	22.69	955989	22.45
Shanaya Mody Khatua	425622	10.00	425622	10.00
Croll Reynolds International Inc.	289500	6.80	289500	6.80



- (C) The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each equity shareholder is entitled to one vote per share. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (D) For current financial year the dividend proposed to be distributed to equity shareholders is ₹ 5/- per equity share (Previous Year ₹ 4/- per equity share). The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and the company pays the same in Indian Rupees.
- (E) There are no shares allotted as fully paid up during the period of five years immediately preceding the reporting date i.e. 31/03/2013.

	31/03/2013 ₹	31/03/2012 ₹
<b>4. RESERVES AND SURPLUS</b>		
<b>(A) CAPITAL RESERVE</b>		
Balance as per Last Financial Statements	4,24,937	4,24,937
<b>Closing Balance</b>	<b>4,24,937</b>	<b>4,24,937</b>
<b>(B) SECURITY PREMIUM ACCOUNT</b>		
Balance as per Last Financial Statements	3,00,00,000	3,00,00,000
<b>Closing Balance</b>	<b>3,00,00,000</b>	<b>3,00,00,000</b>
<b>(C) CAPITAL BUYBACK RESERVE</b>		
Balance as per Last Financial Statements	41,68,000	41,68,000
<b>Closing Balance</b>	<b>41,68,000</b>	<b>41,68,000</b>
<b>(D) GENERAL RESERVE</b>		
Balance as per Last Financial Statements	6,20,10,750	5,20,10,750
Add: Transferred from Statement of Profit and Loss	1,25,00,000	1,00,00,000
<b>Closing Balance</b>	<b>7,45,10,750</b>	<b>6,20,10,750</b>



(E) SURPLUS

<b>Balance as per Last Financial Statements</b>	<b>51,96,15,187</b>	44,95,32,943
Net Profit/ (Net Loss) for the year	<b>12,36,55,631</b>	9,98,77,260
<b>Less : Appropriations</b>		
Proposed Final Dividend		
- On Equity Shares [₹ 5/- per share (March 31, 2012: ₹ 4/-)]	<b>2,12,90,000</b>	1,70,32,000
Tax on Proposed Dividend		
- On Equity Shares	<b>36,18,236</b>	27,63,016
Transfer to General Reserve	<b>1,25,00,000</b>	1,00,00,000
<b>Net Surplus in the Statement of Profit and Loss</b>	<b>60,58,62,582</b>	51,96,15,187
<b>GRAND TOTAL (A+B+C+D+E)</b>	<b>71,49,66,269</b>	61,62,18,874

	<u>NON - CURRENT PORTION</u>		<u>CURRENT PORTION</u>	
	<u>31/03/2013</u>	<u>31/03/2012</u>	<u>31/03/2013</u>	<u>31/03/2012</u>
	₹	₹	₹	₹

5. LONG TERM BORROWINGS

Unsecured Borrowings	---	15,00,000	---	---
<b>Net Amount</b>	<u>---</u>	<u>15,00,000</u>	<u>---</u>	<u>---</u>

<b>31/03/2013</b>	<b>31/03/2012</b>
₹	₹

6. DEFERRED TAX LIABILITIES (NET) - NON CURRENT

**Deferred Tax Liability**

Impact of Difference between depreciation/ amortisation as per Income Tax and charged for the Financial Reporting

<b>1,85,71,600</b>	1,58,99,558
--------------------	-------------

Gratuity

<b>2,29,667</b>	---
-----------------	-----

**Gross Deferred Tax Liabilities**

<b>1,88,01,267</b>	1,58,99,558
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**Deferred Tax Asset**

Impact of Expenditure charged to the Statement of Profit and Loss in the Current Year, but allowed for tax purposes in following years on payment basis

Gratuity

---	5,30,008
-----	----------

Leave encashment

<b>1,44,758</b>	8,60,041
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**Gross Deferred Tax Assets**

<b>1,44,758</b>	13,90,049
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**Deferred Tax Liabilities (Net)**

<b>1,86,56,509</b>	1,45,09,509
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	31/03/2013 ₹	31/03/2012 ₹
<b>7. LONG TERM PROVISIONS</b>		
<b><u>Provision for Employee Benefits</u></b>		
Provision for Gratuity	---	16,33,558
Provision for Leave Encashment	<b>4,25,886</b>	26,50,769
	<b>4,25,886</b>	42,84,327
<b>8. SHORT-TERM BORROWINGS</b>		
<b><u>Secured Borrowings From Banks:</u></b>		
SBI Export Packing Credit Facilities (secured) *	---	1,00,98,810
SBI Packing Credit Facilities (PCFC) (secured) *	<b>2,41,32,533</b>	---
	<b>2,41,32,533</b>	1,00,98,810
The above amount includes:		
Secured Borrowings	<b>2,41,32,533</b>	1,00,98,810
	<b>2,41,32,533</b>	1,00,98,810
* Cash credit facility, Export Packing Credit and PCFC facility from the State Bank of India are secured by the Pledge/Hypothecation of stock, book debts and equitable mortgage of the assets of the company and co-lateral security of premise owned by Mr. S.R Mody, situated at Odhav GIDC and also personally guaranteed by Mr. S.R.Mody, who is the Managing Director of the company.		
<b>9. TRADE PAYABLES</b>		
Dues to Related Parties (Note 33)	<b>11,63,526</b>	47,97,550
Other Payables	<b>7,40,96,306</b>	12,05,49,204
	<b>7,52,59,832</b>	12,53,46,754
<i>(Refer Note 36 for details of Dues to Micro &amp; Small Enterprises)</i>		
<b>10. OTHER CURRENT LIABILITIES</b>		
Advance from Customers	<b>1,90,84,634</b>	3,10,64,228
Unclaimed Dividends	<b>11,52,022</b>	11,43,912
Employee Benefits Payable	<b>1,93,39,694</b>	1,67,36,910
Statutory dues including Provident Fund & Tax deducted at Source	<b>72,04,564</b>	52,87,870
Other Payable	<b>25,53,999</b>	8,14,957
	<b>4,93,34,913</b>	5,50,47,877
There is no amount due and outstanding to be credited to Investors Education and Protection Fund as at March 31, 2013.		
<b>11. SHORT TERM PROVISIONS</b>		
Provision for Wealth Tax (net of advances)	<b>54,451</b>	61,852
Proposed Equity Dividend	<b>2,12,90,000</b>	1,70,32,000
Provision for Tax on Proposed Equity Dividend	<b>36,18,236</b>	27,63,016
	<b>2,49,62,687</b>	1,98,56,868

### 12. TANGIBLE ASSETS

SR. NO.	PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK			
		BALANCE AS AT 01/04/12	ADDITIONS	DISPOSALS	BALANCE AS AT 31/03/13	BALANCE AS AT 01/04/12	CHARGE FOR THE YEAR	DISPOSALS	BALANCE AS AT 31/03/13	BALANCE AS AT 31/03/12	BALANCE AS AT 31/03/13
1.	Buildings	5,31,21,120	6,32,28,788	---	11,63,49,908	1,41,75,765	34,80,044	---	1,76,55,809	3,89,45,355	9,86,94,099
2.	Plant and Machineries	7,76,28,252	1,56,76,422	---	9,33,04,674	2,22,77,888	54,91,291	---	2,77,68,979	5,53,50,564	6,55,35,695
3.	Furniture, Fixtures	1,18,75,051	21,89,342	---	1,40,64,393	59,20,913	7,03,041	---	66,23,954	59,54,138	74,40,439
4.	Vehicles	1,56,84,549	6,62,533	3,66,024	1,59,81,058	64,99,343	13,89,354	3,52,762	75,35,935	91,85,206	84,45,123
5.	Computers	1,26,61,935	14,16,091	---	1,40,78,026	87,25,956	12,08,011	---	99,33,967	39,35,979	41,44,059
6.	Office Equipment	81,07,084	5,15,381	---	86,22,465	36,61,568	4,00,952	---	40,62,520	44,45,516	45,59,945
7.	Patterns	47,455	---	---	47,455	15,160	5,367	---	20,527	32,295	26,928
8.	Electrical Installation	1,04,46,993	37,64,957	---	1,42,11,950	50,13,754	6,43,615	---	56,57,369	54,33,239	85,54,581
	<b>TOTAL</b>	<b>18,95,72,439</b>	<b>8,74,53,514</b>	<b>3,66,024</b>	<b>27,66,59,929</b>	<b>6,62,90,147</b>	<b>1,33,21,675</b>	<b>3,52,762</b>	<b>7,92,59,060</b>	<b>12,32,82,292</b>	<b>19,74,00,869</b>
	Capital Work-In-Progress	6,56,58,577	---	6,56,58,577	---	---	---	---	---	6,56,58,577	---
	<b>GRAND TOTAL</b>	<b>25,52,31,016</b>	<b>8,74,53,514</b>	<b>6,60,24,601</b>	<b>27,66,59,929</b>	<b>6,62,90,147</b>	<b>1,33,21,675</b>	<b>3,52,762</b>	<b>7,92,59,060</b>	<b>18,89,40,869</b>	<b>19,74,00,869</b>
	<i>Previous Year's Figures</i>	21,03,91,060	4,72,36,777	23,96,821	25,52,31,016	5,87,39,037	92,73,609	17,22,499	6,62,90,147	15,16,52,023	18,89,40,869

### 13. INTANGIBLE ASSETS

SR. NO.	PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK			
		BALANCE AS AT 01/04/12	ADDITIONS	DISPOSALS	BALANCE AS AT 31/03/13	BALANCE AS AT 01/04/12	CHARGE FOR THE YEAR	DISPOSALS	BALANCE AS AT 31/03/13	BALANCE AS AT 31/03/12	BALANCE AS AT 31/03/13
1.	Computer software	59,48,123	5,36,027	---	64,84,150	36,16,056	9,70,618	---	45,86,674	23,32,067	18,97,476
	<b>TOTAL</b>	<b>59,48,123</b>	<b>5,36,027</b>	<b>---</b>	<b>64,84,150</b>	<b>36,16,056</b>	<b>9,70,618</b>	<b>---</b>	<b>45,86,674</b>	<b>23,32,067</b>	<b>18,97,476</b>
	Intangible Assets under Development	14,69,750	---	---	14,69,750	---	---	---	---	14,69,750	14,69,750
	<b>GRAND TOTAL</b>	<b>74,17,873</b>	<b>5,36,027</b>	<b>---</b>	<b>79,53,900</b>	<b>36,16,056</b>	<b>9,70,618</b>	<b>---</b>	<b>45,86,674</b>	<b>38,01,817</b>	<b>33,67,226</b>
	<i>Previous Year's Figures</i>	72,22,873	1,95,000	---	74,17,873	26,65,597	9,50,459	---	36,16,056	45,57,276	38,01,817



		31/03/2013	31/03/2012
		₹	₹
<b>14. LONG-TERM LOANS AND ADVANCES</b>			
<b>Capital Advances - Unsecured, considered good</b>	<b>(A)</b>	<b>3,90,00,000</b>	3,90,00,000
<b>Security deposit against Property - Secured, considered good</b>		<b>50,00,000</b>	50,00,000
<b>Other deposits - Secured, considered good</b>		<b>34,20,992</b>	33,09,892
	<b>(B)</b>	<b>84,20,992</b>	83,09,892
<b>Other Loans and Advances</b>			
Advance income-tax (net of provision)		<b>11,15,158</b>	44,40,497
Gratuity (Net of Provision)		<b>6,75,689</b>	---
Loans to employees		<b>5,67,380</b>	17,91,234
	<b>(C)</b>	<b>23,58,227</b>	62,31,731
<b>Total</b>	<b>(A + B + C)</b>	<b>4,97,79,219</b>	5,35,41,623

		31/03/2013		31/03/2012	
		No.	₹	No.	₹
<b>15. CURRENT INVESTMENTS (at lower of Cost or Market Value)</b>					
<b>(a) Mutual Funds (Quoted) - Units of ₹ 10/- Each , unless otherwise specified</b>					
ICICI Prudential Income Fund	541298.358	2,00,00,000	---	---	
ICICI Prudential Short Term Fund	836225.279	2,00,00,000	---	---	
Kotak Bond Fund	591833.292	2,00,00,000	---	---	
Reliance Monthly Income Plan - GR. Plan	475709.057	1,00,86,867	475709.057	1,00,86,867	
HDFC Equity Fund- Dividend Option - Reinvestment Plan	195778.501	73,59,118	176857.219	71,05,946	
HDFC Equity Fund- Growth Option Plan	---	---	6717.851	17,57,880	
Reliance Small Cap Fund - Growth Plan	250000.000	22,80,075	250000.000	22,80,075	
HDFC Cash Management Fund					
- Treasury Advantage Plan - Wholesale Weekly Dividend	---	---	13356.468	1,33,851	
HDFC Income Fund	1360685.994	1,52,76,286	---	---	
HDFC MidCap Opportunities Fund - Dividend Option	126094.002	18,25,841	---	---	
Morgan Stanley ACE Fund - Growth Plan	703201.140	95,76,896	703201.140	95,76,896	
Morgan Stanley Active Bond Fund - Growth Option	831718.413	1,00,00,000	---	---	
Morgan Stanley Active Bond Fund - Dividend Option	1301402.517	1,52,41,815	---	---	
Morgan Stanley Short Term Bond Fund	1511921.501	2,00,00,000	---	---	
Reliance Income Fund	878580.214	99,93,938	---	---	
Pramerica Dynamic Monthly Income Fund Growth Option	500000.000	50,00,000	500000.000	50,00,000	
Pramerica Dynamic Fund - Growth	---	---	200000.000	18,36,000	
Pramerica Equity Fund - Growth	---	---	200000.000	16,62,000	
ICICI Prudential Dynamic Plan - Growth	93112.934	98,81,759	93112.934	98,81,759	
ICICI Prudential Ultra Short-term (Weekly Div.)	---	---	2215170.891	2,21,78,957	
Pramerica Short Term Income					
- (Fortnightly Dividend Option) (FV of ₹ 1000/- each)	---	---	31125.330	3,12,00,997	
Pramerica Short Term Income					
- (Monthly Dividend Option) (FV of ₹ 1000/- each)	---	---	22457.285	2,25,00,000	
Franklin Templeton India Dynamic PE Ratio Fund	291762.652	1,15,00,000	291762.652	1,15,00,000	
<b>TOTAL</b>		<b>18,80,22,595</b>		<b>13,67,01,228</b>	
<b>(b) Equity shares</b>					
Chartered Capital and Investment Limited (Quoted)	45732	16,27,749	45732	16,27,749	
Bombay Mercantile Co-Op Banks Ltd (Unquoted)	100	3000	100	3,000	
		<b>16,30,749</b>		<b>16,30,749</b>	
<b>TOTAL (A+B)</b>		<b>18,96,53,344</b>		<b>13,83,31,977</b>	



	Cost	Market Value	Cost	Market Value
Aggregate Value of Quoted Investment	18,96,50,344	19,61,81,026	13,83,28,977	14,08,24,747
Aggregate Value of Unquoted Investment	3,000	---	3,000	---
	<u>18,96,53,344</u>	<u>19,61,81,026</u>	<u>13,83,31,977</u>	<u>14,08,24,747</u>
			31/03/2013	31/03/2012
			₹	₹
<b>16. INVENTORIES</b>				
<b>[Valued at lower of cost and net realisable value]</b>				
Raw Materials and Packing Materials -Engineering		8,53,38,576		8,68,29,390
Raw Materials and Packing Materials - Food division		1,18,75,939		1,08,65,448
Semi Finished Goods- Engineering		3,46,78,964		6,61,17,191
Semi Finished Goods- Food division		1,08,086		1,38,707
Finished Goods- Engineering		2,78,11,904		2,95,29,556
Stores and Spares -Engineering		25,42,635		20,60,142
		<u>16,23,56,104</u>		<u>19,55,40,434</u>
<b>17. TRADE RECEIVABLES</b>				
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>				
Unsecured, considered good	(A)	2,96,38,428		1,94,34,943
<b>Other receivables</b>				
Dues from Related Parties (Note 33)		7,75,31,877		4,14,74,877
Unsecured, considered good -other debtors		13,47,79,331		17,40,87,789
	(B)	21,23,11,208		21,55,62,666
	(A + B)	<u>24,19,49,636</u>		<u>23,49,97,609</u>
<b>18. CASH AND CASH EQUIVALENTS</b>				
Bank Balances with Schedule Banks:				
On Current Accounts		1,81,65,644		38,67,335
Balances in Dividend Accounts		11,52,020		11,43,912
EEFC account		2,08,80,191		24,47,689
Fixed Deposits with banks (against Bank Guarantees)		1,79,07,296		1,71,54,353
Cash on Hand		7,48,575		6,51,494
		<u>5,88,53,726</u>		<u>2,52,64,783</u>
<b>19. SHORT-TERM LOANS AND ADVANCES</b>				
<b>Advances recoverable in Cash or Kind</b>				
Advance to Suppliers - Related Parties (Note 33)		5,57,751		---
Advance to Suppliers - unsecured considered good		38,65,884		78,14,507
	(A)	<u>44,23,635</u>		<u>78,14,507</u>
<b>Other Loans and Advances</b>				
Amount receivable on sale of Valve Division ( Slump Sale)		---		1,75,04,954
Prepaid expenses		33,69,114		18,50,073
Loans to employees		8,43,094		4,26,804
Advance to Employees		16,77,585		11,43,217
Balances with Statutory Authorities		3,50,03,779		1,94,83,868
Total - other loans & Advances	(B)	<u>4,08,93,572</u>		<u>4,04,08,916</u>
<b>Total</b>	(A + B)	<u>4,53,17,207</u>		<u>4,82,23,423</u>



	31/03/2013 ₹	31/03/2012 ₹
<b>20. OTHER CURRENT ASSETS</b>		
Interest accrued on Fixed Deposits	16,41,298	8,00,484
	<u>16,41,298</u>	<u>8,00,484</u>
<b>21. REVENUE FROM OPERATIONS</b>		
Sale of Goods		
Domestic	90,13,60,550	88,57,71,605
Exports	38,07,63,298	21,44,56,973
Sale of Services		
Domestic		
Consultancy Income	33,37,389	1,65,000
Equipment Repairs income	40,25,901	23,10,503
Exports		
Consultancy Income	5,02,772	---
Equipment Repairs income	8,64,948	2,04,651
Other Operating revenues		
Packing Charges Income	36,67,972	31,65,149
Export incentive income	56,53,016	18,75,264
Sale of Scrap	68,99,946	46,49,221
<b>Revenue from Operations (Gross)</b>	<u>1,30,70,75,792</u>	<u>1,11,25,98,366</u>
Less: Excise Duty *	9,97,71,289	8,18,00,175
<b>Revenue from Operations (Net)</b>	<u>1,20,73,04,503</u>	<u>1,03,07,98,191</u>
* Excise Duty on Sales amounting to ₹ 997.71 lacs (March 31, 2012: ₹ 818.00 lacs) has been reduced from sales in Statement of Profit and Loss under the head of Excise & Customs duty amounting to ₹ 3.22 lacs (March 31, 2012: ( ₹ 2.87 lacs) has been considered as manufacturing expense in Note 25 of financial statements.		
<b>Sale of Finished Goods</b>		
Vacuum Systems	59,19,82,533	55,05,76,255
Heaters	6,11,85,000	7,44,07,400
Vacuum Pumps	3,11,81,272	3,39,35,497
Pollution Control Equipments	1,29,45,922	2,58,81,844
Chill Vactor	10,65,000	44,98,800
Rotajectors	59,06,728	55,72,250
Evaporators	28,48,82,800	19,64,70,121
Thermo Compressors	3,42,77,083	2,41,00,988
B Cool (Food Division)	8,52,22,594	6,67,01,467
Others (Including Spares)	7,37,03,627	3,62,83,781
	<u>1,18,23,52,559</u>	<u>1,01,84,28,403</u>
<b>22. OTHER INCOME</b>		
<b>Interest income</b>		
From current Investment-Bank	18,69,747	10,67,979
From Others	6,41,657	3,33,674
<b>Dividend Income</b>		
From Current Investments	65,75,057	34,13,517
<b>Net Gain on sale of Investments</b>		
From Current Investments	1,34,235	47,86,831
From Long Term Investments	6,55,313	---
<b>Other Non-operating Income - net of expenses directly attributable to</b>		
Apprentice Stipend Income	3,01,645	---
Exchange Differences (Net)	53,31,349	48,67,284
Other Income -Miscellaneous	26,38,949	18,87,223
Profit on sale of Fixed Assets (Net)	19,438	---
	<u>1,81,67,390</u>	<u>1,63,56,508</u>





	31/03/2013	31/03/2012
	₹	₹
<b>23. COST OF RAW MATERIALS CONSUMED</b>		
Inventory at the beginning of the Year	9,97,54,980	8,17,57,915
Add: Purchases	<u>64,21,02,432</u>	<u>61,92,00,944</u>
	74,18,57,412	70,09,58,859
Less: Inventory at the end of the Year	<u>9,97,57,150</u>	<u>9,97,54,980</u>
<b>Cost of Raw Materials and Packing Materials Consumed</b>	<u><b>64,21,00,262</b></u>	<u><b>60,12,03,879</b></u>
<b>Consumption of Raw Materials</b>		
<b>Engineering Division</b>		
(a) Round Bar	1,49,25,035	1,78,33,615
(b) Pipes & Tubes	13,12,53,905	11,14,75,721
(c) Plates	16,61,31,900	13,30,68,074
(d) Profiles & Circles	3,71,24,381	4,12,07,287
(e) Flanges	3,73,04,000	3,40,44,280
(f) Stop Valves	4,63,33,293	4,99,94,397
(g) Instruments	7,78,27,104	7,43,26,582
(h) Bought Outs & Others	7,06,07,457	8,67,50,305
<b>Food Division</b>		
(i) Raw Material	3,77,51,045	3,09,44,562
(j) Packing Material	<u>2,28,42,142</u>	<u>2,15,59,056</u>
	<u><b>64,21,00,262</b></u>	<u><b>60,12,03,879</b></u>
<b>Inventories of Raw Materials</b>		
<b>Engineering Division</b>		
(a) Round Bar	45,05,779	54,57,118
(b) Pipes & Tubes	1,43,95,481	1,10,26,435
(c) Plates	2,79,46,634	2,63,19,797
(d) Profiles & Circles	15,64,074	9,31,162
(e) Flanges	41,37,623	73,85,984
(f) Stop Valves	1,07,28,367	99,17,324
(g) Instruments	88,11,333	78,28,747
(h) Bought Outs & Others	1,57,91,919	2,00,22,965
<b>Food Division</b>		
(i) Raw Material	33,68,423	46,95,777
(j) Packing Material	<u>85,07,517</u>	<u>61,69,671</u>
	<u><b>9,97,57,150</b></u>	<u><b>9,97,54,980</b></u>
<b>24. (INCREASE)/DECREASE IN INVENTORIES</b>		
Inventory at the end of the Year		
Work-in-progress (*)	3,47,87,050	6,62,55,898
Finished Goods	<u>2,78,11,904</u>	<u>2,95,29,556</u>
	<b>(A)</b>	<b>9,57,85,454</b>
Inventory at the beginning of the Year		
Work-in-progress (*)	6,62,55,898	4,98,67,086
Finished Goods	<u>2,95,29,556</u>	<u>1,30,56,805</u>
	<b>(B)</b>	<b>6,29,23,891</b>
<b>TOTAL</b>	<b>(B-A)</b>	<u><b>(3,28,61,563)</b></u>

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



	31/03/2013	31/03/2012
	₹	₹
<b>25. MANUFACTURING EXPENSES</b>		
Factory Consumables	1,12,92,303	1,17,64,788
Power and Fuel	83,36,543	69,48,565
Labour Charges	9,16,53,196	8,21,35,732
Inspection and Testing Charges	51,70,845	54,07,491
Design & Drawing charges	13,84,000	23,16,850
Excise & Custom duty	45,72,847	42,79,873
Inward Freight and Carting Charges	55,73,345	57,53,815
Lease & Rent	24,88,420	19,85,350
Repairs and Maintenance- Plant and Machineries	36,35,424	34,81,734
	<b>13,41,06,923</b>	<b>12,40,74,198</b>
<b>26. EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages and Bonus*	9,35,41,407	8,43,64,775
Contribution to Provident and Other Fund	26,82,244	26,08,438
Gratuity Expense (Note 34)	15,82,197	41,59,378
Staff Welfare Expenses	23,63,290	24,95,047
	<b>10,01,69,138</b>	<b>9,36,27,638</b>
* includes provision for leave encashment (net) ₹ 2,95,878/- (March 31, 2012; ₹ 49,52,599/-)		
<b>27. ADMINISTRATIVE AND GENERAL EXPENSES</b>		
Rent, Rates and Taxes	35,58,354	34,82,959
Insurance	79,22,190	52,89,297
Repairs and Maintenance - Buildings	14,37,785	37,22,417
- Others	9,87,057	9,49,093
Travelling and Conveyance	1,37,46,765	1,08,03,466
Communication Costs	23,20,477	25,83,792
Printing and Stationery	11,44,933	12,29,457
Legal and Professional Fees	1,38,23,540	74,87,341
Directors' Sitting Fees	3,38,000	3,44,000
Payment to Auditors (Refer details below)	8,93,500	6,17,000
Donations	16,63,200	78,552
Electricity Expense - Office	6,23,119	4,36,735
Loss on Sale of Fixed Assets (Net)	---	3,30,822
Other Administrative Expenses	1,02,56,447	87,57,699
	<b>5,87,15,367</b>	<b>4,61,12,630</b>
<b>Payment to Auditors:</b>		
As Auditor:		
Audit Fee	5,50,000	4,50,000
Tax Audit Fee	1,50,000	1,00,000
As Cost Auditor:		
Cost Audit Fee	80,000	---
In Other Capacity - Other Services (Certification Fees)	1,13,500	67,000
	<b>8,93,500</b>	<b>6,17,000</b>
<b>28. SELLING AND MARKETING EXPENSES</b>		
Commission on Sales	1,77,51,952	1,71,38,622
Freight and Forwarding on Sales	2,25,79,722	1,12,15,905
Advertisements and Business Promotions	7,85,188	8,98,940
Equipment repairs Expense	12,57,143	19,84,810
Debit/ Credit Balances Written Off	---	1,14,93,356
Liquidated Damages	5,55,146	10,21,707
Sales Tax Expense	48,73,615	54,81,125
	<b>4,78,02,766</b>	<b>4,92,34,465</b>



	31/03/2013 ₹	31/03/2012 ₹
<b>29. FINANCE COSTS</b>		
Loss on revaluation of Mutual Fund	9,50,450	23,29,573
Loss on Forward Contracts	6,51,524	40,91,947
Interest	4,88,789	7,27,578
Bank Charges	52,30,835	41,79,092
	<u>73,21,598</u>	<u>1,13,28,190</u>
<b>30. COMMITMENTS</b>		
<b>(a) Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of advance ₹1250 lacs (March 31, 2012: ₹ 244.36Lacs)]	12,50,00,000	---
	<u>12,50,00,000</u>	<u>---</u>
<b>31. CONTINGENT LIABILITIES NOT PROVIDED FOR</b>		
CONTINGENT LIABILITIES	<u>NIL</u>	<u>NIL</u>
<b>32. EARNINGS PER SHARE (EPS)</b>		
<b>Net Profit as per Statement of Profit and Loss</b>	12,36,55,631	9,98,77,260
Number of Equity Shares	42,58,000	42,58,000
<b>Basic and Diluted Earning Per Share before Extraordinary items (in ₹)</b>	29.04	23.46
<b>Basic and Diluted Earning Per Share after Extraordinary items (in ₹)</b>	29.04	23.46
Nominal Value of Shares (in ₹)	10.00	10.00

### 33. INFORMATION IN RESPECT OF RELATED PARTIES

#### (i) List of Related Parties and their Relationships

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 Private Limited.
ii) Croll Reynolds Co. Inc. New Jersey, U.S.A	:	Mr. Samuel W. Croll-III who is a Director of the company is also a New Director of Croll-Reynolds Co. Inc. U.S.A.
iii) Mr. Sorab R. Mody	:	Promoter and Managing Director of the Company.
iv) Mr. Percy X. Avari	:	Key Management Personnel being the Whole-Time Director of the Company.
v) Mrs. Sheila S. Mody	:	Director and Wife of Mr. Sorab R. Mody, Promoter and Managing Director of the Company.
vi) Mrs. Shanaya Mody Khatua	:	Whole-Time Director and daughter of Mr. Sorab R. Mody, Promoter and Managing Director of the Company.
vii) H.T. Engineering (Gujarat) Pvt. Ltd.	:	Mrs. M.N. Tarapore who is a Director of H.T. Engineering (Gujarat) Pvt. Ltd. is a sister of Mr. Percy X. Avari who is a Whole-Time Director of the Company.
viii) Tarapore Enterprise	:	Mrs. M.N. Tarapore and Husband of Mrs. M.N. Tarapore are partners in Tarapore Enterprise. Mrs. M.N. Tarapore is a sister of Mr. Percy X. Avari who is a Whole-Time Director of the Company.
ix) Mrs. Khushnum Percy Avari	:	Wife of Mr. Percy X. Avari, Whole-Time Director of the Company.



(ii) **Related Party Transactions**

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

Particulars	2012-2013 ₹	2011-2012 ₹
<i>Related Parties</i>		
<b>a) Sale of Finished Goods</b>	<b>21,97,34,279</b>	11,89,67,366
<i>Croll Reynolds Co. Inc. New Jersey, U.S.A</i>	<b>21,97,34,279</b>	11,89,67,366
<b>b) Sitting Fees for Board Meetings</b>	<b>88,000</b>	88,000
<i>Mrs. Sheila S. Mody</i>	<b>88,000</b>	88,000
<b>c) Labour Charges</b>	<b>1,16,63,084</b>	1,30,27,977
<i>Tarapore Enterprise</i>	<b>1,01,13,652</b>	1,14,31,934
<i>H.T. Engineering (Guj) Pvt Ltd</i>	<b>15,49,432</b>	15,96,043
<b>d) Receiving of Materials and Services</b>	<b>1,72,42,621</b>	2,16,56,306
<i>H.T. Engineering (Guj) Pvt Ltd</i>	<b>1,72,42,621</b>	2,16,56,306
<b>e) Other Income (Consultancy)</b>	<b>5,02,772</b>	---
<i>Croll Reynolds Co. Inc. New Jersey, U.S.A</i>	<b>5,02,772</b>	---
<b>f) Other Income (Equipment Repairs)</b>	<b>8,64,948</b>	---
<i>Croll Reynolds Co. Inc New Jersey, U.S.A</i>	<b>8,64,948</b>	---
<b>g) Receipt of Reimbursement of Expenses</b>	---	26,20,072
<i>Croll Reynolds Co. Inc New Jersey, U.S.A</i>	---	26,20,072
<b>h) Interest Paid</b>	<b>1,65,000</b>	1,65,000
<i>Mr. Sorab R. Mody</i>	<b>1,65,000</b>	1,65,000
<b>i) Rent Paid</b>	<b>36,67,500</b>	34,80,000
<i>Mr. Sorab R. Mody</i>	<b>36,67,500</b>	34,80,000
<b>j) Commission on Profit</b>	<b>81,99,080</b>	69,33,562
<i>Mrs. Shanaya Mody Khatua</i>	<b>16,75,740</b>	13,86,712
<i>Mr Percy X. Avari</i>	<b>16,75,740</b>	13,86,712
<i>Mr. Sorab R. Mody</i>	<b>48,47,600</b>	41,60,138
<b>k) Dividend Paid</b>	<b>72,17,996</b>	62,40,342
<i>Mr. Sorab R. Mody</i>	<b>38,63,956</b>	33,05,558
<i>Mr Percy X. Avari</i>	<b>1,80,820</b>	1,58,218
<i>Mrs. Shanaya Mody Khatua</i>	<b>17,02,488</b>	14,89,677
<i>Mrs. Sheila S. Mody</i>	<b>3,02,800</b>	2,64,950
<i>Croll Reynolds Co. Inc New Jersey, U.S.A</i>	<b>11,58,000</b>	10,13,250
<i>Mrs. Khushnum Percy Avari</i>	<b>9,932</b>	8,691
<b>l) Remuneration Paid</b>	<b>1,06,57,200</b>	1,07,93,600
<i>Mr. Sorab R. Mody</i>	<b>35,52,400</b>	36,00,000
<i>Mr Percy X. Avari</i>	<b>35,52,400</b>	35,96,800
<i>Mrs. Shanaya Mody Khatua</i>	<b>35,52,400</b>	35,96,800
<b>(iii) Balances at the end of the Year</b>		
<b>a) Trade Receivables</b>	<b>7,75,31,877</b>	4,14,74,877
<i>Croll Reynolds Co Inc. New Jersey, U.S.A</i>	<b>7,75,31,877</b>	4,14,74,877
<b>b) Trade Payables</b>	<b>11,63,526</b>	47,97,550
<i>H.T. Engineering (Guj) Pvt Ltd - Material</i>	---	33,61,500
<i>- Labour charges</i>	<b>65,504</b>	1,84,243
<i>Tarapore Enterprise - Labour charges</i>	<b>10,98,022</b>	12,51,807
<b>c) Advance to Suppliers</b>	<b>5,57,751</b>	---
<i>H.T. Engineering (Guj) Pvt Ltd - Material</i>	<b>5,57,751</b>	---



### 34. DETAILS OF EMPLOYEE BENEFITS

	Leave Pay		Gratuity	
	2012-13 ₹	2011-12 ₹	2012-13 ₹	2011-12 ₹

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

#### STATEMENT OF PROFIT AND LOSS

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

Current Service Cost	13,84,584	12,90,739	18,82,841	18,35,170
Interest Cost on Benefit Obligation	5,43,536	2,45,613	17,49,430	12,70,340
Expected Return on plan Assets	(5,35,792)	---	(18,80,432)	(14,67,465)
Past Service Cost	(43,959)	---	(3,89,786)	---
Net Actuarial (Gain) / Loss recognised in the year	(20,60,872)	20,30,828	2,20,144	25,21,334
<b>Net Benefit Expense</b>	<b>(7,12,503)</b>	<b>35,67,180</b>	<b>15,82,197</b>	<b>41,59,379</b>

#### BALANCE SHEET

<b>Details of provision</b>	<b>62,02,549</b>	<b>64,97,875</b>	<b>2,44,58,041</b>	<b>2,05,81,524</b>
Defined Benefit Obligation	70,51,401	54,78,925	2,51,33,731	1,89,47,967
Plan Asset / (Liability)	(8,48,852)	10,18,950	(6,75,690)	16,33,557

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

Opening Defined Benefit Obligation	64,97,875	29,77,127	2,05,81,524	1,53,98,057
Current Service Cost	13,84,584	12,90,738	18,82,841	18,35,170
Interest Cost on Benefit Obligation	5,43,536	2,45,613	17,49,430	12,70,340
Past Service Cost	(43,959)	---	(3,89,786)	---
Benefits paid	(2,06,663)	(3,19,304)	---	(2,85,009)
Actuarial (Gains) / Losses on Obligation	(19,72,824)	23,03,701	6,34,032	23,62,966
<b>Closing Defined Benefit Obligation</b>	<b>62,02,549</b>	<b>64,97,875</b>	<b>2,44,58,041</b>	<b>2,05,81,524</b>

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

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

Discount Rate	8.10 %	8.50 %	8.10 %	8.50 %
Increase in compensation cost	5.00 %	5.00 %	5.00 %	5.00 %

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

Defined Benefit Obligation	62,02,549	64,97,875	2,44,58,041	2,05,81,524
Surplus / (Deficit)	(62,02,549)	(64,97,875)	(2,44,58,041)	(2,05,81,524)

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



	31/03/2013	31/03/2012
	₹	₹
<b>35. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURES</b>		
<b>Derivative Instruments</b>		
Forward Contract to sell US\$	12,15,280	38,74,400
Forward Contract to sell GBP	63,76,126	43,73,223
	<u>75,91,406</u>	<u>82,47,623</u>
<b>Unhedged Foreign Currency Exposures</b>		
Receivables	10,13,80,627	6,90,41,937
Payables	---	33,75,553
Advance From Customers	68,14,555	1,05,69,463
Advance to Suppliers	1,26,323	26,01,715
Balance in EEFC Bank Account	2,08,80,191	24,47,689
SBI PCFC Account	2,41,32,533	---
SBI Export Packing Credit Facilities (secured)	---	1,00,98,810
	<u>15,33,34,229</u>	<u>9,81,35,167</u>
<b>36. DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006</b>		
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	52,30,425	1,03,09,038
	<u>52,30,425</u>	<u>1,03,09,038</u>
<b>37. EARNINGS IN FOREIGN CURRENCY (ON ACCRUAL BASIS)</b>		
Exports at FOB basis	36,47,95,273	21,41,71,956
Other Income - Consultancy	5,02,772	---
Other Income - Miscellenious	10,25,115	---
Equipment Repairs Income	8,64,948	2,04,651
	<u>36,71,88,108</u>	<u>21,43,76,607</u>
<b>38. VALUE OF IMPORTS ON CIF BASIS</b>		
Raw and Packing Materials	2,94,01,615	1,93,45,646
Capital Goods	---	10,68,267
Others	12,76,700	1,81,263
	<u>3,06,78,315</u>	<u>2,05,95,176</u>
<b>39. EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)*</b>		
Travelling Expenses	15,80,349	7,77,505
Subscriptions	1,72,696	3,74,752
Equipment Repairs Expense	5,13,506	3,01,893
Sales Promotion Expense	21,812	---
Registration Fees	2,84,033	13,003
Sales Commission Expense	7,17,958	26,66,926
Dividend	11,58,000	10,13,250
	<u>44,48,354</u>	<u>51,47,329</u>

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



#### 40. IMPORTED AND INDIGENEOUS MATERIALS CONSUMED

	31/03/2013 % of Total Consumption	31/03/2012	31/03/2013 ₹	31/03/2012 ₹
(i) <b>Raw Materials</b>				
(a) Imported	4.50	2.92	2,89,11,199	1,75,76,926
(b) Indigenous	95.50	97.08	61,31,89,063	58,36,26,953
	<u>100.00</u>	<u>100.00</u>	<u>64,21,00,262</u>	<u>60,12,03,879</u>

#### 41. OPERATING LEASE

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

Lease Payment debited to the Profit & Loss Account	48,77,500	45,80,000
Further Minimum Lease Payments in Respect of non-cancelable leases	---	---
Amounts due within one year from the date of balance-sheet	14,17,500	10,70,000

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

#### 43. SEGMENT REPORTING

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

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



**Primary segment Information:**

Particulars	Engineering Products	Food Products	Total
Revenues	1,13,82,97,872	8,71,74,021	1,22,54,71,893
Identifiable Operating Expenses	88,01,97,331	7,63,80,272	95,65,77,603
Segmental Operating Income	<u>25,81,00,541</u>	<u>1,07,93,749</u>	<u>26,88,94,290</u>
Unallocable Finance Cost			73,21,598
Unallocable Expenses			<u>7,40,55,694</u>
Total Profit before Tax			<b>18,75,16,998</b>
Taxes			<u>6,38,61,367</u>
Net Profit for the Year			<u><b>12,36,55,631</b></u>

**Secondary segment Information:**

Particulars	Domestic	Overseas	Total
Revenues	83,94,81,601	38,59,90,292	1,22,54,71,893
Identifiable Operating Expenses	71,37,77,986	24,27,99,617	95,65,77,603
Segmental Operating Income	<u>12,57,03,615</u>	<u>14,31,90,675</u>	<u>26,88,94,290</u>
Unallocable Finance Cost			73,21,598
Unallocable Expenses			<u>7,40,55,694</u>
Total Profit before Tax			<b>18,75,16,998</b>
Taxes			<u>6,38,61,367</u>
Net Profit for the Year			<u><b>12,36,55,631</b></u>

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

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

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

**PERCY X. AVARI**  
**WHOLE-TIME 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 : 25/05/2013

PLACE : AHMEDABAD  
 DATE : 25/05/2013





**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 23rd ANNUAL GENERAL MEETING of the company held at the Registered Office at C/1-39/13/16, GIDC, Naroda, Ahmedabad - 382 330, on Tuesday, 17th September, 2013.

\_\_\_\_\_  
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**

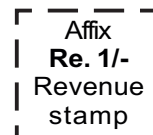
Folio No. : \_\_\_\_\_ DP ID : \_\_\_\_\_ Client ID : \_\_\_\_\_

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 23rd ANNUAL GENERAL MEETING of the company to  
be held on Tuesday, 17th September, 2013.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

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



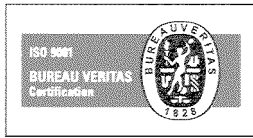
**NOTE :** The Proxy to be effective should be deposited at the Registered Office of the company not less than 48 hours before the commencement of the Meeting. The Proxy need not be a member of the company.

**BOOK - POST  
(PRINTED MATTER)**

To,

If undelivered, please return to :

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



30 August 2013

To,  
**Bombay Stock Exchange Limited**  
 Corporate Relationships Department  
 1<sup>st</sup> Floor, New Trading Ring,  
 Rotunda Building,  
 Phiroze Jeejeebhoy Towers,  
 Dalal Street,  
 Mumbai – 400 001

**Sub : Covering letter for submission of Annual Report**

**FORM A**

1.	Name of the company	MAZDA LIMITED
2.	Annual Financial statement for the year ended	31 <sup>st</sup> March, 2013
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	N.A.

For Mazda Limited

Sorab Mody  
 Managing Director

For Mazda Limited

Cyrus Bhagwagar  
 Financial Controller

For Mazda Limited

Mohib Khericha  
 Chairman,  
 Audit Committee

For Apaji Amin & Co.

Tehmul Sethna  
 Auditor

**Sales & Admn. Office :**

Mazda House, Panchwati 2nd Lane,  
 Ambawadi, Ahmedabad - 380006, INDIA  
 Phone: +91 (0) 79 40007000 (30 Lines)  
 +91 (0) 79 2644 2036, 37, 38  
 Fax : +91 (0) 79 2656 5605  
 E-mail : vacuum@mazdalimited.com  
 Website : www.mazdalimited.com

**Works & Registered Office :**

Unit-1  
 C/1-39/13/16, G.I.D.C.,  
 Naroda,  
 Ahmedabad - 382 330  
 Phone: +91 (0) 79 22821779  
 +91 (0) 79 40267000

**Works :**

Unit-2  
 Plot No. 11 & 12, Hitendranagar  
 Sahakari Vasahat Ltd.,  
 N.H. Road, Naroda,  
 Ahmedabad - 382 340  
 Phone: +91 (0) 79 40266900

**Works :**

Unit-3  
 C/1-A5, G.I.D.C.,  
 Odhav,  
 Ahmedabad - 380 015  
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**Works :**

Unit-4  
 Plot No. 17/1, Phase-III,  
 G.I.D.C., Naroda,  
 Ahmedabad - 382 330  
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 +91 (0) 79 65140791