



M M FORGINGS LIMITED

Board of Directors

Shri V. Narayanan, Chairman
Shri. N. Srinivasan, Director
Shri V. Vaidyanathan, Director
Shri. Vidyashankar Krishnan, Managing Director
Shri. K. Venkatramanan, Jt. Managing Director

Company Secretary

Smt. J. Sumathi

Auditors

M/s. G. Ramesh Kumar and Co.
Membership No. 200 / 18663
Akila Lands, Ganapathy Colony (South)
Thiruvanaikoil, Trichirappalli – 620 005

Registered Office

95, Anna Salai, Guindy, Chennai – 600 032
Phone : 044 -22352153
Fax No. 044- 22352160
E-mail : mmforge @ mmforgings.com

Factories

Singampunari – 624 502, Tamil Nadu
Viralimalai – 621 316, Tamil Nadu

A 24 / 25, Thiru – vi – ka – Industrial Estate
Guindy, Chennai

Karanaihangal Village, Mathur Post – 602 105
Sriperumbudur Taluk, Kancheepuram District

Windfarm

Panakudi, Nagercoil

Bankers

State Bank of Travancore
Mount Road Branch, Chennai – 600 002

ABN AMRO Bank N.V
19/1, Haddows Road, Chennai – 600 002

Citi Bank N.A
No. 2, Club House Road, Chennai – 600 002

State Bank of India
1/65-A , G.S.T. Road, Guindy, Chennai – 600 032

Share Transfer Agents

Cameo Corporate Services Limited
'Subramanian Building', Fifth Floor,
No. 1, Club House Road, Chennai – 600 002



M M FORGINGS LIMITED

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 64th Annual General Meeting of the shareholders of M M Forgings Limited will be held at “Narada Gana Sabha” (Mini Hall), No.314, TTK Road, Chennai – 600 018 at 15.30 hrs. on Friday, 27 August 2010 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet and Profit And Loss Account for the year ended 31 March 2010 and the Reports of Directors and Auditors thereon.
2. To declare dividend for the year.
3. To appoint a Director in the place of Shri V. Narayanan who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in the place of Shri N.Srinivasan who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring Auditors, G. Ramesh Kumar & Co., Chartered Accountants, Tiruchirapalli are eligible for reappointment. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution.

“RESOLVED THAT G. Ramesh Kumar & Co., Chartered Accountants be and are hereby appointed Auditors of the Company from the conclusion of this Annual General Meeting of the Company until the conclusion of next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors, exclusive of travelling and other out of pocket expenses.”

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

“Resolved that, subject to the approval of shareholders and subject to the provisions of Sections 198 and 209 of the Companies Act, 1956, and other applicable provisions, if any (including any amendment thereto), the Non- Executive Directors be paid, in addition to the sitting fees for attending the meetings of Board or Committee thereof, a Commission, for a period of five years commencing from 01 April 2011”.

“Further Resolved that the quantum of commission payable to each of the non- executive directors may be decided by the Board as it may deem fit.”

Place: Kodaikanal
Date: 23 May 2010

By Order of the Board
J.SUMATHI
Company Secretary



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NOTES :

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the special business is appended.
2. 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.
3. The proxy form duly stamped and executed should be deposited with our Company's Share Transfer Agents, M/S Cameo Corporate Services Limited, No. 1, Club House Road, Chennai – 600 002, not less than 48 hours before the commencement of the meeting.
4. Members / Proxies should bring the attendance slip duly filled in for attending the meeting.
5. The Register of Members and the share transfer books will remain closed from 24 August 2010 to 27 August 2010, both days inclusive.
6. Change of address, if any, should be sent to the Company's Share Transfer Agents, M/s Cameo Corporate Services Limited, No. 1, Club House Road, Chennai – 600 002.
7. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on their Dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for change / deletion in such bank details. Further, instructions if any, already given by them in respect of shares held in Physical form will not be automatically applicable to the dividend paid on shares held in electronic form. Members may therefore give instructions regarding bank accounts in which they wish to receive dividend to their Depository Participants.
8. The Company has transferred the Unclaimed amount lying in the Dividend Account for the year 2001-02 of Rs. 147,906/- to the credit of Investor Education and Protection Fund established by the Central Government on 25 September 2009.

Item No.3

9. Reappointment of Director retiring by rotation:

- 9.1 Reappointment of Director Shri. V. Narayanan, retiring by rotation:

Shri. V. Narayanan is liable to retire by rotation at the 64th Annual General Meeting and being eligible, has offered himself for reappointment. He is a Director and Chairman since 1994.



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9.2 Reappointment of Director retiring by rotation:

Reappointment of Director Shri.N. Srinivasan retiring by rotation:

Shri. N. Srinivasan is liable to retire by rotation at the 64th Annual General Meeting and being eligible, has offered himself for reappointment. He is a Director since 1994.

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

Item No. 6

The members had approved at the Annual General Meeting of the Company held on 18 August 2005 concerning the Commission payable to Non- Executive Director. The resolution was effective for a period of five years commencing from 01 April 2006. Hence, this resolution has to be passed with effect from 01 April 2011. The Commission payable will be subject to the ceiling of Sections 198 and 309 of the Companies Act, 1956. The aggregate of such commission paid to all such Directors shall not exceed 1% of the net profits of the Company in any financial year.

It may be clarified that the resolution proposed at Item No. 6 is an enabling and the limits proposed will constitute the maximum limits with discretionary powers to the Board to fix remuneration for the individual directors as contemplated in the resolution.

Shri. V. Narayanan, Shri. N. Srinivasan, Shri. V. Vaidyanathan may be deemed to be interested in the resolution to the extent of the Commission payable to them in accordance with the proposed resolution.

The Board recommends the passing of the Special Resolution at Item no. 6 of the Notice convening the meeting.

HIGHLIGHTS OF PERFORMANCE

DESCRIPTION/YEAR	FY2	FY3	FY4	FY5	FY6	FY7	FY8	FY9	FY10
INCOME									
Sales - Exports	5753.10	5760.19	6710.14	9680.11	9564.91	10581.48	11255.01	13267.88	10417.74
- Domestic	1963.66	2555.67	3676.49	6190.91	6931.38	7064.97	7839.53	7413.07	5426.22
- Total	7716.76	8315.86	10386.63	15871.02	16496.29	17646.45	19094.54	20680.95	15843.96
Other Income	1.43	93.26	241.21	392.75	427.61	565.01	596.05	756.00	712.62
TOTALINCOME	7718.19	8409.12	10627.84	16263.77	16923.90	18211.46	19690.59	21436.95	16556.58
Operating Profit	1696.42	1854.45	2072.48	3111.49	3338.20	3938.92	4294.48	3891.58	2938.55
Profit After Tax	605.08	610.23	736.43	1182.86	1209.76	1408.29	1478.86	1022.52	1041.66
Reserves & Surplus	3317.71	3839.41	4387.93	4843.75	5817.83	7014.29	8140.11	8347.28	9177.11
Dividend including tax paid	135.79	132.77	153.61	204.72	204.72	211.83	353.04	211.83	211.83
Dividend	45%	40%	45%	30%	30%	30%	50%	15%	15%
Share Capital	301.76	301.76	301.76	603.52	603.52	603.52	603.52	1207.04	1207.04
Earnings per share	20.05	20.22	24.40	19.60	20.05	23.33	24.50	8.47	8.63
Bonus Share				1 : 1				1 : 1	
Return on Capital Employeed	37.00%	33.58%	30.60%	30.42%	26.54%	28.99%	24.15%	20.40%	13.99%
Return on Net Worth	15.24%	13.72%	14.64%	19.69%	17.25%	16.70%	16.79%	10.67%	9.30%

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REPORT OF THE DIRECTORS

The Directors are pleased to present their Report for the Year ended 31st March 2010.

1. RESULTS:

Total sales has decreased by 23% over the previous year. However, Profit After Tax has increased by 2%.

	(Rs. in Lakhs)		
	2009-10	2008-09	
a. Gross Sales	15,843.96	20,680.96	-23%
b. Profit after tax	1,041.66	1,022.53	+2%

2. DIVIDEND AND FINANCIAL RESULTS:

The Directors recommend a dividend payment of 15%. Taking the dividend into account the financial results are as follows :

	(Rs. in Lakhs)	
	2009-10	2008-09
a. Profit before Tax	1162.00	1,376.26
b. Provision for taxation	130.00	275.00
c. Fringe Benefit Tax	-	5.00
d. Deferred Tax Asset / (Liability)	9.66	73.73
e. Profit After Tax	1041.66	1,022.53
f. Balance in Profit & loss Account previous year	234.22	223.50
g. Profit available for appropriation	1275.88	1,246.03
h. Transfer to General Reserve	1000.00	800.00
i. Proposed Dividend including Dividend Tax	211.83	211.83
j. Balance carried to Balance Sheet	64.05	234.23

Although the operational margins have dropped for the year under review, in view of the expectations of better market conditions in the next year, the Directors recommend maintaining the dividend at 15%.

3. OPERATIONS:

A. Sales :

The company continues to be one of the largest exporters of steel forgings in India and has received 20 consecutive annual awards from the Engineering Export Promotion Council. Export sales of the Company were Rs.104.18 crores and account for 66% of total sales.



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B. Foreign Exchange Earnings :

The company is a net foreign exchange earner. During the current year, the company's net foreign exchange earnings were Rs.82.37 crores after taking repayment of Rs.17.93 crores of term loans in foreign exchange.

C. Quality :

The company has retained its ISO / TS 16949 : 2009 and ISO 9001 : 2008 certification for its Quality Management System.

D. Personnel :

Information required to be furnished under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, has been annexed to this Report.

E. Investments :

1. Total Capital Expenditure during the year was Rs. 25.83 crores.
2. Production capacity has increased from 35,500 MT to 38,000 MT.
3. Machining capacity has been substantially increased in line with changing customer demand.

4. CORPORATE GOVERNANCE:

The company is committed to ethical management and excellence in performance. Details are provided in Annexure 3.

5. SUBSIDIARY COMPANY:

As required under section 212 of the Companies Act, 1956 the Audited statement of the Accounts along with the report of the Directors and the Auditor's Report of the wholly owned subsidiary company, Srivatsa Electric & Electronic Limited for the year ended 31 March 2010 are annexed. An application for merger of SEEL with M M Forgings has been filed in the High Court. The case is pending.

6. DEPOSITS:

No unclaimed deposits were outstanding as at the end of the year.

7. DIRECTORS:

Shri V. Narayanan, Director retires by rotation and being eligible, offers, himself for re-appointment.

Shri N.Srinivasan, Director retires by rotation and being eligible, offers, himself for re-appointment.

8. AUDITORS:

The retiring auditors of the Company, G. Ramesh Kumar & Co., Chartered Accountants, Tiruchirapalli are eligible for, and seek reappointment.



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9. ENERGY, TECHNOLOGY & FOREIGN EXCHANGE:

Disclosures as per requirements of Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in report of the Board of Directors) Rules, 1988 with respect to Energy Conservation, Technology Absorption, Research & Development and Foreign Exchange Earnings / Outgo are given in Annexure I.

10. ACKNOWLEDGEMENT:

Your Directors would like to express their gratitude for the cooperation and continued assistance received from **ABN Amro Bank, Citibank N.A., State Bank of India and State Bank of Travancore.**

Your Directors wish to record their appreciation for the exemplary services rendered by the employees of the company. The results achieved would not have been possible but for their outstanding effort.

Above all the Directors thank the shareholders for their continued confidence in the management.

Place : Kodaikanal
Date : 23 May 2010

For and On behalf of the Board
V. NARAYANAN
Chairman



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ANNEXURE I – TO REPORT OF THE DIRECTORS:

Information in accordance with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 and forming part of the report of the Directors for the year ended 31 March 2010.

(A) CONSERVATION OF ENERGY:

1. Energy conservation methods undertaken: Conservation of energy is a continuous process. The amount spent on this would be Rs.10 lakhs.

Consumption of Light Diesel Oil and Furnace Oil is closely monitored to conserve energy.

2. Additional investment and proposals, if any, being implemented for reduction in consumption of energy

Optimising energy consumption. Close monitoring of power consumption of Induction Billet Heaters to reduce Power Consumption.

Monitoring of power consumption for air compressors and controlling the same.

The points given above are representative only. The actual list of activities under implementation for reduction in consumption of energy is quite exhaustive and detailed.

3. Impact of measures at 1 & 2 for reduction of energy consumption and consequent impact on the cost of production of goods: It is not possible to determine the figure.

Total energy consumption and energy consumption per unit as per prescribed form:

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY POWER AND FUEL CONSUMPTION

	2009-10	2008-09
1. ELECTRICITY		
a. Purchased:		
Units	1,75,74,057	2,07,57,533
Total Amount. (Rs.)	9,23,32,193	10,70,08,608
Rate / Unit (Rs.)	5.25	5.16
b. Own Generation:		
Units	17,37,462	23,46,875
Units per ltr.	2.85	2.76
Cost / Unit (Rs.)	11.05	15.62
2. FUEL OIL		
Quantity (in ltrs)	26,01,733	30,27,343
Total amount (Rs.)	8,22,99,548	12,06,92,668
Average Rate (Rs./ltr.)	31.63	39.87
3. CONSUMPTION PER UNIT OF PRODUCTION		
a. Electricity	1157	1125
b. Fuel Oil	156	147

Note: No standards are available for comparison.



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(B) TECHNOLOGY ABSORPTION:

RESEARCH AND DEVELOPMENT (R & D)

1. Specific areas in which R & D are carried out by the company:
R & D efforts in a manufacturing industry like ours, is an ongoing process. Continuous efforts have been taken in various areas of the manufacturing activity.
2. Benefits derived as a result of the above R & D: It has not been possible to determine the figure.
3. Future plan of action:
Continuous efforts are being put in by way of Research & Development in all the areas of manufacturing to reduce the cost of major inputs such as steel, fuel, power, etc.
4. Expenditure on R & D: Not less than Rs.50 lakhs though indirectly.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:
Continuous efforts are made on conservation of raw material by improving design and layout of dies.
2. Benefits derived as a result of the above efforts:
Reduction in raw material consumption.
3. Technology imported during the last 5 years: Nil

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

- | | | |
|---|---|---|
| 1 | Activities relating | Exports at Rs.9,987.84 lakhs form a significant part of the company's turnover |
| 2 | Initiatives taken to increase development of new export markets for products and services and export plan | a. Vigorous efforts are taken by marketing department to new multinational customers in addition to the existing multinationals.
b. The Company has been consistently retaining the ISO / TS 16949 : 2009 and ISO 9001 : 2008 certification for its Quality Management system. |
| 3 | Total Foreign Exchange | a. Earned : Rs.1,04,17,74,687
b. Used : Rs. 3,88,14,810 |

Place : Kodaikanal
Date : 23 May 2010

For and on Behalf of the Board
V. NARAYANAN
Chairman

ANNEXURE 2

ANNEXURE II FORMING PART OF THE REPORT OF THE DIRECTORS

(Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Report of the Directors for the year ended 31.03.2010)

Sl. No.	Name	Designation	Remuneration	Qualification	Experience (Years)	Date of Joining	Age	Last Employment	No. of shares % of shares held in the company
a) Employed throughout the year and were in receipt of remuneration at a rate of not less than Rs.24,00,000 per annum									
1.	Shri Vidyashankar	Managing Krishnan	7220473 Director	B.E.,M.S.	20	25.06.1990	44	Nil	13,60,120 (11.27%)
2.	Shri. K.Venkatramanan	Jt. Managing Director	6903903	B.E.	18	24.01.1992	41	Nil	12,92,480 (10.71%)
b) Employed for a part of the year and were in receipt of remuneration at a rate of not less than Rs.2,00,000 per month									
None									

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Note:

1. Remuneration as shown above includes salary, commission, employer's contribution to Provident Fund and value of perquisites together with other allowances.

Place : Kodaikanal

Date : 23.05.2010

For and on behalf of the Board

V.NARAYANAN

Chairman



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ANNEXURE 3 - REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy:

The Company is committed to good Corporate Governance, which to us means protection of shareholders' rights, enhancement of shareholder value and equitable treatment of all other stakeholders such as customers, suppliers and employees. The Company is committed to reporting financial information transparently, objectively and accurately. A judicious mix of empowerment based on trust and accountability forms the foundation of our management philosophy.

2. Board of Directors:

2.1 Composition and category of Directors as of 31 March 2010 is as follows:

Category	No. of Directors	%
Executive Directors	2	40
Non-executive, Independent Directors	3	60
Total	5	100

2.2 Attendance of each Director at the Board meetings and the last AGM:

Name of the Director	No. of Board Meetings held	No. of Board Meetings Attended (Yes / No)	Last AGM attendance
Shri V. Narayanan	5	5	Yes
Shri V. Vaidyanathan	5	5	Yes
Shri N. Srinivasan	5	3	Yes
Shri Vidyashankar Krishnan	5	5	Yes
Shri K. Venkatramanan	5	1	No

2.3 No. of Board Meetings held, dates on which held:

Five Board Meetings were held during the year- May 15, 2009, July 29, 2009, August 7, 2009, October 21, 2009 and January 27, 2010

2.4 Number of other Boards or Board Committees in which the Directors are members or Chairman: Refer Notes on Accounts.

2.5 Information placed before the Board of Directors, inter alia, include:

The Board has complete access to any information within the company. The information regularly supplied to the Board of Directors includes:

- Annual operating plans and budgets and any updates
- Capital Budgets any updates.



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- Annual Accounts, Directors' Report etc.
- Quarterly Results of the Company
- Minutes of the meetings of Audit Committee and other Committees of the Board.
- The information on recruitment and promotion of Senior Officers to the level of Executive Director which is just below the Board level
- Fatal or serious accidents, dangerous occurrences etc.
- Operational highlights.
- Major investments.
- Award of large contracts
- Disclosure of interest by Directors about directorship and committee positions occupied by them in other companies.
- Quarterly Report on foreign exchange exposures.
- Any significant development in Human Resources / Industrial Relations
- Non-Compliance of any regulatory, statutory or listing requirements and shareholders services such as non-payment of Dividend, delay in share transfer etc.
- Short term investments.
- Information relating to any legal disputes.
- Other materially important information.

2.6 No. of shares held by a Non-Executive Director:

Shri V. Vaidyanathan – 6000 shares (0.05%)

2.7 Remuneration of Directors:

2.7.1 Remuneration of Managing Director and Joint Managing Director

Name	Salary Rs.	Benefits	Commission	Total (Rs.)
Shri Vidyashankar Krishnan	40,68,000	10,52,473	21,00,000	72,20,473
Shri K. Venkatramanan	37,68,000	10,35,903	21,00,000	69,03,903

2.7.2 Remuneration of non – executive director:

Name	Sitting fees (Rs.)		Commission (Rs.)	Total (Rs) (Rs.)
	Board	Committee		
Shri V. Narayanan	20,000	4,000	2,75,000	2,99,000
Shri V. Vaidyanathan	20,000	8,000	1,10,000	1,38,000
Shri N. Srinivasan	10,000	2,000	1,10,000	1,22,000



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3. Audit Committee (AC):

3.1 Terms of reference: The terms of reference of the AC are in accordance with clause 49 of the Listing Agreement and it includes the following:

3.1.1 Reviewing the Company's internal control system, audit procedures, compliance with statutory and regulatory requirements, financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and correct.

3.1.2 It reviews half yearly and annual financial statements with the management before submission to the Board with special emphasis on accounting policies and practices and legal requirements concerning financial statements

3.1.3 Recommending to the Board, the appointment and removal of Statutory Auditors and fixing their fees

3.1.4 Any other terms of reference as may be included from time to time in clause 49 of the listing agreement.

3.2 Date of Meetings:

During the year under review, the Committee had 4 meetings held as follows:

May 15, 2009, July 29, 2009, October 21, 2009 and January 27, 2010

3.3. Formation, Composition and attendance to the AC Meetings:

The AC of the Board was formed on 16 June 2001

Name	No. of AC Meetings	No. of AC Meetings attended
Shri V. Narayanan (Chairman)	4	4
Shri V. Vaidyanathan	4	4
Shri N. Srinivasan	4	2

3.4 All the three members are Non-Executive Independent Directors.

3.5 Statutory Auditors and Internal Auditors were present in the meetings.

3.6 The Managing Director and the Joint Managing Directors were invited for all the meetings and were requested to provide necessary information to the Committee.

4. Share Transfer Committee:

The Share Transfer Committee was formed on June 16, 2001. It considers transfer / transmission of shares issued by the Company, issue of duplicate certificates and certificates after split/ consolidation / renewal. During the year the Committee met 24 times.

5. Investors Grievance Committee:

5.1 Formation and no. of meetings held:

The Investor Grievance Committee of the Board was formed on 16 June 2001 to redress the grievances of the Investors / Shareholders.



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During the year under review, the Committee had 4 meetings held as follows:

May 15, 2009, July 29, 2009, August 7, 2009, October 21, 2009 and January 27, 2010

5.2. Non – Executive Chairman – Shri V. Vaidyanathan

Other members: Shri Vidyashankar Krishnan, Shri K. Venkatramanan.

5.3. Attendance:

Name	No. of IGC Meetings	No. of IGC Meetings attended
Shri V. Vaidyanathan	4	4
Shri Vidyashankar Krishnan	4	4
Shri K. Venkatramanan	4	1

5.4. Name and Designation of the Compliance Officer: Smt. J. Sumathi, Company Secretary.

5.5 No of Shareholder complaints received during the year: 9

5.6 No. not solved to the satisfaction of shareholders : 0

5.7 No. of Pending Complaints : 0.

5.8 No. of pending share transfers : There are no share transfers pending with the company.

5.9 For Redressal of Investor complaints, complaints can be mailed to sumathi@mmforgings.com

6 Remuneration Committee:

The Board of Directors perform the functions of the Remuneration Committee. A separate remuneration committee is not mandatory.

7. Subsidiary Company:

7.1 The Company does not have a material non-listed Indian subsidiary whose turnover or net worth (ie., Paid-up Capital and Free Reserves) exceeds 20% of the consolidated Turnover or Net worth respectively of the Company and its subsidiary in the immediately preceding accounting year.

7.2 The Minutes of the Board Meetings of the Subsidiary Company are noted at the Board Meetings of the Company.

7.3 Winding up of SEEL: The Company has made an application to the High Court for an approval for the Scheme of Amalgamation and to dissolve the company without winding up.

8. General Body Meetings

8.1 Location and time, where last three AGMs held:

Financial year	Date	Time	Location
2006-07	27 August 2007	3.30 P.M.	Music Academy, Chennai
2007-08	18 August 2008	3.30 P.M.	Music Academy, Chennai
2008-09	07 August 2009	2.30 P.M.	Music Academy, Chennai



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- 8.2 Special Resolutions passed in the previous 3 AGMs:
- 8.2.1 Resolution passed in the AGM held on 27 August 2007 :
- 8.2.1.1 Increasing the donation limits from Rs.40 Lakhs to Rs.1 crore.
- 8.2.1.2 Increasing the limits on borrowing from Rs.50 Crores to Rs.200 Crores.
- 8.2.1.3 Revision in remuneration payable to Shri Vidyashankar Krishnan, Managing Director
- 8.2.1.4 Revision in remuneration payable to Shri K. Venkatramanan, Joint Managing Director
- 8.2.1.5 Altering Articles of Association by adding new articles, namely, Article 9 (d), 9 (e) and Article 10 (c)
- 8.2.2 Resolution passed in the AGM held on 18 August 2008.
- 8.2.2.1 Delisting of equity shares in Madras Stock Exchange Limited.
- 8.2.2.2 Reappointment of Shri Vidyashankar Krishnan as Managing Director.
- 8.2.2.3 Reappointment of Shri Venkatramanan Krishnan as Joint Managing Director.
- 8.2.2.4 Issue of Bonus shares in the proportion of 1 : 1

9. Disclosures:

- 9.1 There were no transactions of material nature with the Directors or the management or their subsidiaries or relatives of the Directors during the year except to the extent as stated under Related Party Disclosure under notes forming part of the accounts.
- 9.2 Compliances by the Company:

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last years. No penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or other statutory authorities relating to the above.

9.3 Code of Conduct:

The Board of Directors have laid out a Code of Conduct which is applicable to each member of the Board of Directors and Senior Management of the company. The Company has received confirmation from all the Directors and Senior Management of the Company regarding compliance with the said Code for the year ended March 31, 2010. A certificate from Shri Vidyashankar Krishnan, Managing Director to this effect is given below. The said Code is also posted on the website of the Company 'www.mmforgings.com'

Declaration by the Managing Director

In accordance with Clause 49 1D of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the Directors and the Senior Management personnel of the company have affirmed compliance with the Code of Conduct, as applicable to them, for the Financial Year ended 31 March 2010.

Place: Kodaikanal
Date: 23 May 2010

For M M Forgings Limited
VIDYASHANKAR KRISHNAN
Managing Director



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- 9.4 As Whistle Blower policy is not mandatory, this policy is not in force.
- 9.5 The company has complied with all the mandatory requirements under the Code of Corporate Governance.
- 9.6 Disclosures regarding appointment or reappointment of Directors: According to the Articles of Association, not less than One-third of the Directors shall retire by rotation. This year Shri V. Narayanan and Shri N. Srinivasan, Directors of the Company, shall retire and being eligible, offer themselves for reappointment.

Given below are the brief resume of the Directors:

Shri V. Narayanan (72) is a Post Graduate in Chemistry from the Madras University. He has more than 47 years of experience in Management. He joined Hindustan Lever Limited as a Management Trainee and held several positions in that company both in India and in UK. Subsequently he joined Pond's (India) Limited and was its Chairman and Managing Director for over 15 years. He is currently on the Board of several reputed companies such as Tamil Nadu Newsprint and Papers Ltd, Glaxo SmithKline Pharmaceuticals Limited, Sundaram Fasteners Limited, Rane (Holdings) Ltd, etc. He has been Chairman of the Board of M M Forgings Limited after the Company's Initial Public Offer in 1994.

Shri N. Srinivasan (65) is a Post Graduate in Chemical Engineering from Illinois Institute of Technology, USA. He is presently the Vice Chairman and Managing Director of The India Cements Limited, a major corporate entity in South, with turnover of around Rs.2,000 crores whose activities span Cement, Sugar, Trading and Finance. He is presently the President of the Tamil Nadu Cricket Association as well as the Honorary -Secretary to the Board of Control for Cricket in India (BCCI). He is also the President of the All India Chess Federation. He has been on the Board of M M Forgings Limited when the company became public, i.e. in 1994.

10. Means of Communication

- 10.1 The quarterly, half yearly and annual results of the Company's performance are published in financial dailies viz., Business line and Makkal Kural
- 10.2 The financial results of the company are made available to the Bombay Stock Exchange Ltd and National Stock exchange Ltd in the prescribed form, which would enable them to place it on their website ie. www.bseindia.com and www.nseindia.com

11. General Shareholders Information

- 11.1 Date, time and venue of the Annual General Meeting:

Annual General Meeting is proposed to be held on Friday, 27 August 2010 at Narada Gana Sabha, No. 314, TTK Road, Chennai – 600 018 at 3.30 P.M.

- 11.2 Financial year: 01 April 2009 to 31 March 2010.



M M FORGINGS LIMITED

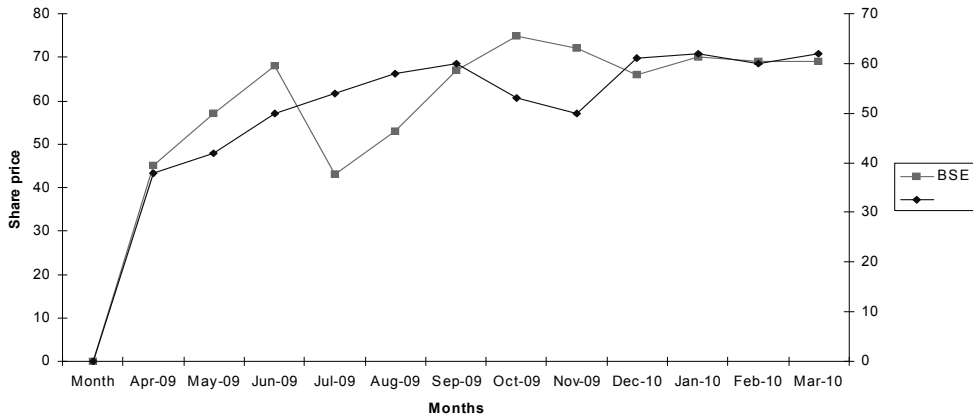
- 11.3 Date of Book Closure: From 24 August 2010 to 27 August 2010 (both days inclusive)
- 11.4 Dividend payment date:
- 11.5 Dividend as approved will be paid on or before 22 September 2010 to those shareholders whose names will be on the Register of Members on 27 August 2010.
- 11.6 Listing on stock exchanges: The shares of the Company are listed at
- 11.6.1 Bombay Stock Exchange Limited
Rotunda Building, P.J.Towers,
First Floor, New Trading Wing, Dalal Street,
MUMBAI – 400 001.
Annual Listing fees has been paid as on date
- 11.6.2 National Stock Exchange of India Ltd
'Exchange Plaza', Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051
Annual Listing Fees has been paid as on date.
- 11.6.3 Madras Stock Exchange Limited: The Company's Shares have been delisted from Madras Stock Exchange with effect from 21 December, 2009.
- 11.6 Stock Exchange Security Code:
The Stock Exchange, Mumbai 522241
The National Stock Exchange MMFL – EQ
- 11.7 Stock Market Price data for the year under review:

Month	Bombay Stock Exchange Ltd		The National Stock Exchange Ltd	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2009	45	38	45	37
May 2009	57	42	54	44
June 2009	68	50	70	50
July 2009	43	54	60	42
Aug 2009	53	58	57	53
Sept 2009	67	60	67	56
Oct 2009	75	53	74	53
Nov 2009	72	50	71	50
Dec 2009	66	61	66	62
Jan 2010	70	62	71	64
Feb 2010	69	60	68	59
Mar 2010	69	62	69	62

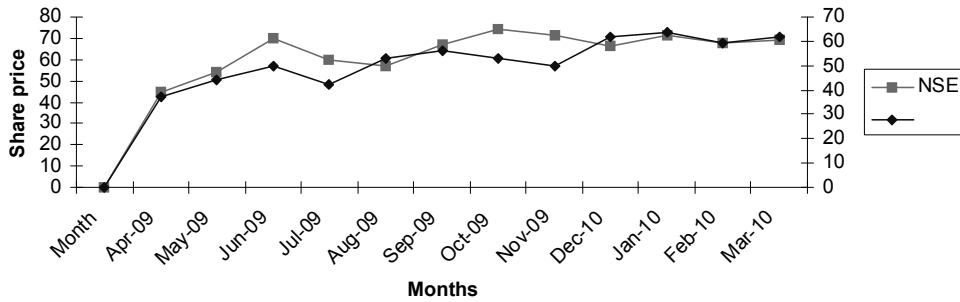


M M FORGINGS LIMITED

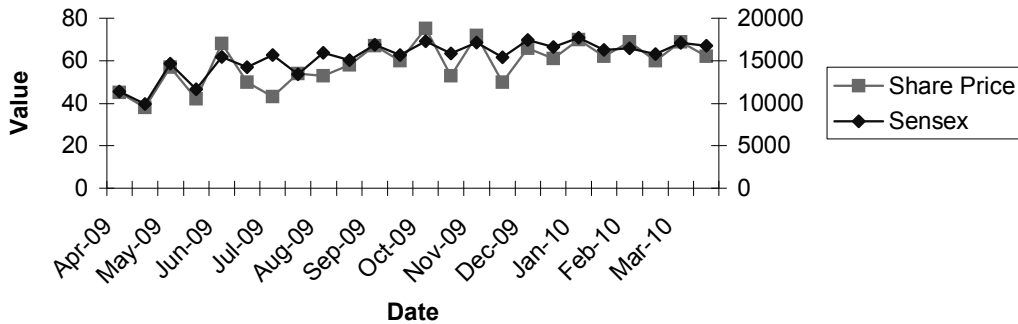
Monthwise high and low in BSE during the period April 2009 to March 2010



Month wise High and Low quotes of NSE during April 2009 to March 2010



Comparison of Share price of BSE with Sensex for the year 2009-10





M M FORGINGS LIMITED

11.7 Registrar and Share Transfer Agent:

Cameo Corporate Services Limited acts as the Registrar and Share Transfer Agents of the Company for both physical and electronic segments. Their contact address is: Cameo Corporate Services Limited, Unit: M M Forgings Limited, "Subramanian Building" Fifth Floor, No.1, Club House Road, Chennai – 600 002 - Ph: 044 - 28460390 – 94.

11.8 Share Transfer System:

The Share Transfer Agent acknowledges and executes transfers of securities, arranges for issue of dividend. It also accepts, deals with and resolves complaints of the shareholders. Shareholder complaints are given top priority by the Company and are replied to, promptly by the Secretarial Department and Share Transfer Agents.

At each Board Meeting the Board is apprised of the details of transfer / transmission / issue of duplicate shares. The Company's scrip form part of the SEBI's compulsory demat segment bearing ISIN No. INE227C01017

11.9 Distribution of shareholding as on 31 March 2010:

No. of equity shares held	No. of share-holders	% to total	No. of shares held	% of shareholding
1-500	4201	84.71	741730	6.15
501-1000	375	7.56	299139	2.48
1001-2000	180	3.63	278944	2.31
2001-3000	61	1.23	152731	1.26
3001-4000	33	0.67	126140	1.05
4001-5000	15	0.30	69333	0.57
5001-10000	34	0.69	248733	2.06
10000 & above	60	1.21	10153650	84.12
TOTAL	4959	100.00	12070400	100.00

11.10 Shareholding pattern as on 31 March 2010:

Category	No. of Share-holders	% to total	No. of shares held	% of share-holding
Resident Indians	4623	93.23	2729886	22.62
NRIs	120	2.42	171544	1.42
Domestic Company	188	3.79	342749	2.84
Non-domestic Cos.	1	0.02	200	0
Financial Institutions / Banks	1	0.02	83940	0.70
Mutual Funds	7	0.14	1350986	11.19
Promoters	19	0.38	7391095	61.23
Total	4959	100.00	12070400	100.00



M M FORGINGS LIMITED

11.11 Dematerialisation of shares: 11611433 shares (96.20%) dematerialized as on 31 March 2010.

11.12 Outstanding GDRs / ADRs / Warrants or any convertible instruments etc.:
As on 31 March 2010 the company has not issued these types of securities.

11.13 Plant Location:

1. Singampunari – 624 502
2. Viralimalai – 621 316
3. A 24 / 25 Thiru–vi-ka Industrial Estate, Guindy, Chennai.
4. Karanithangal Village, Mathur Post – 602105, Sriperumbudur Taluk, Kancheepuram District.
5. Wind farm at Panagudi village, near Muppandal in Tirunelveli District.

11.14 Address for correspondence:

The Company's registered office is situated at No. 95, Anna Salai, Guindy, Chennai - 600 032.
Shareholder correspondence should be addressed to:
Cameo Corporate Services Limited, Unit: M M Forgings Limited,
"Subramanian Building" Fifth Floor, No. 1, Club House Road, Chennai – 600 002

12. AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of M M Forgings Ltd.4

We have examined the compliance of conditions of Corporate Governance by M M Forgings Ltd for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s)

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of 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 and the representations made to the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

Risk Management is reviewed every quarter at the Board level.

As required, we have reviewed the company's procedures for compliance with the provisions of Clause 49 of the Listing Agreement.

On the basis of our review and according to the information and explanations given to us and the representations made to us by the Directors and the Management, we state that to the best of our knowledge and belief, the Company has complied in all material respects with the conditions of Corporate Governance stipulated in Clause 49 with the concerned stock exchanges, where the equity shares of the company are listed and traded.

For M/s. G. RAMESH KUMAR & CO.
CHARTERED ACCOUNTANTS

Place : Trichy
Date : 23 May 2010

G. RAMESH KUMAR
PARTNER



13. MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL SCENE

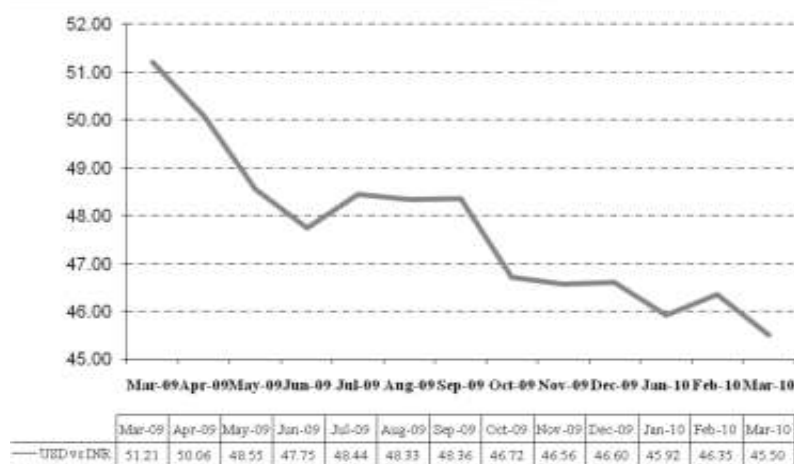
1. The deterioration in risk perceptions and increase in volatility which were seen in the second half of the previous financial year continued into the first quarter of this financial year too.
2. The large scale fiscal intervention by Governments globally reduced the risk of depression and deflation. Slowly confidence started returning to the markets and asset prices – equity, commodity and even real estate started increasing from the lows seen earlier.
3. The structural weaknesses in the US economy continue to prevail due to the sheer size and depth of the legacy.
4. Europe – Sluggishness in the manufacturing sector improved by the second half of the financial year. The truck market continued to be depressed until the end of the fourth quarter. The financial system witnessed increased turmoil due to doubts regarding the financial health of several European Union nations such as Portugal, Ireland, Greece, Spain and Hungary. Countries such as Ireland tightened their belts significantly. Other countries which were members of the Euro zone approached France, Germany and the IMF for bailing out from their sovereign debt repayment commitments.
5. China – The world’s manufacturing power house slowed down due to reduction in demand in the developed world. However, property prices continued to heat up. The government has brought in restrictions to cool down property and housing prices.
6. Asia - Asian tigers of the Far East bounced back quite well. Japan continues with its moribund rate of growth (or should we say, stagnation).
7. Commodities – Increased volatility was observed. Contributing factors were the relative value of the US Dollar, global growth perceptions, presence or absence of risk appetite, demand from China.

INDIA

8. The Indian economy is expected to have grown around 6.5% in FY10 as compared to about 6% in FY9. This growth is impressive by global standards in the then extant economic climate. Most of the developed world was content with marginal growth in this period.
9. The Indian Automotive Industry started seeing increase in demand from the second quarter onwards. During FY10 the automotive industry posted growth rates of 27% in the car segment and 33% in the CV segment.
10. Steel prices have declined by about 26% compared to the highs of the previous year.
11. The INR has appreciated by around 10% against the US Dollar on account of Foreign Institutional Investor (FII) inflows. Refer Chart below :



M M FORGINGS LIMITED



M M FORGINGS – solidity amidst turmoil

12. The following were important aspects of the year :
- ❖ The implosion of global manufacturing took its toll in the first three quarters of the year. Customers who had sharply cut back on their orders slowly started increasing their offtake.
 - ❖ The development of new parts in FY9 proved to be a saving grace despite depressed condition in many export markets.
 - ❖ The Indian market was characterised by strong growth and your company was able to take only limited advantage of this on account of capacity constraints in servicing Export customers.
 - ❖ Changes in steel prices which are in line with international markets are being passed on to customers as is the industry practice.
 - ❖ We continued to be cautious in new investments in fixed assets since we have already invested significantly in the last couple of years. We expect this wait and watch strategy to continue for the next 12 months, focusing on capacity utilisation and debottle necking than on new capacity creation.
13. In the face of all these, your company has managed to hold its ground reasonably without the loss of a single customer. Due to the slowdown having a greater impact on export markets, sales dropped by 23.4%. As highlighted in the Directors' Report. Return On Net Worth is 9.3% and Return On Capital Employed is 13.99%. Current Ratio is 1.50. The total outside liabilities to net worth stands at 1.26. Debt Equity Ratio is 0.69.
14. Your company continues to focus on the development of its human resources to improve its performance. The company currently has approximately 870 employees. It is their invaluable contribution that has primarily resulted in your company's position of strength in the industry.
15. The details of segment-wise sales distribution are provided below:



M M FORGINGS LIMITED



M M FORGINGS – forging ahead

16. Our goals in the coming months:
- ❖ Focus on improving sales in keeping with market conditions.
 - ❖ Fill up the production capacity which has been created in the last 24 months.
 - ❖ Focus on cost reduction continuously and particularly on reducing energy consumption.
 - ❖ Enhance IT systems with the continued development of the ERP system in place.
 - ❖ Continue the evolution into green sources of energy in the coming months

14. DIRECTORS RESPONSIBILITY STATEMENT :

The Directors have fulfilled their responsibility for the preparation of the accompanying financial statements by taking all reasonable steps to ensure that -

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. 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 at the end of the financial year and of the profit or loss of the company for that period;
3. 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;
4. The directors had prepared the annual accounts on a going concern basis.

Place : Kodaikanal
Date : 23 May 2010

VIDYASHANKAR KRISHNAN
Managing Director



M M FORGINGS LIMITED

15. CEO CERTIFICATION :

We hereby certify that

1. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - 1.1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 1.2. 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. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit committee
 - 4.1. Significant changes in internal control during the year;
 - 4.2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 4.3. 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.

Place : Kodaikanal
Date : 23 May 2010

VIDYASHANKAR KRISHNAN
Managing Director



M M FORGINGS LIMITED

AUDITOR'S REPORT TO THE MEMBERS OF M M FORGINGS LIMITED

1. We have Audited the attached Balance Sheet of M.M. FORGINGS LIMITED, CHENNAI – 600 032 as at 31 March 2010 and also the operating, Profit and Loss Account for the Year Ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our Responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Company Law Board in terms of Sec. 227(4A) of the Companies Act 1956. We enclose in the Annexure a Statement on the matter specified in the said order.
4. Further to our comments in the Annexure referred to in Paragraph 1 above.
- 4.1 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;
- 4.2. In our opinion, Proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- 4.3 The Balance Sheet and Manufacturing, Trading, Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
- 4.4 In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in Sub-section (3c) of Section 211 of The Companies Act 1956.
- 4.5 On the basis of written representations received from the directors as at 31st March 2010 and taken on record by the Directors, we report that none of the directors is disqualified as on 31st March 2007 from being appointed as a Director in terms of Clause (g) of sub section (1) of section 274 of The Companies Act 1956.
- 4.6 In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by The Companies Act 1956 and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - 4.6.1 in the case of Balance Sheet of the State of affairs of the Company as at 31 March 2010 and
 - 4.6.2 in the case of operating Profit and Loss Account, of the **PROFIT** of the Company for the Year Ended on that date.
 - 4.6.3 in the case of Cash Flow Statement, of the Company for the year ended on that date.

PLACE : TIRUCHIRAPALLI
DATE : 23.05.2010

For M/S G. RAMESHKUMAR & Co
CHARTERED ACCOUNTANTS

G.RAMESHKUMAR
PARTNER



M M FORGINGS LIMITED

ANNEXURE TO OUR REPORT

(Referred to in Paragraph 1 of our Report of Even date)

As required by the Companies' (Auditor's Report) Order, 2003 and according to the information and explanations given to us during the course of the audit and on the basis of such checks as were considered appropriate, we report that:

1. 1.1 The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- 1.2 As explained to us, the assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion, is reasonable, considering the size and the verification is reasonable and no material discrepancies have been noticed on such physical verification.
2. 2.1 The inventories have been physically verified by the management during the year at reasonable intervals, except materials lying with third parties, where confirmations are obtained;
- 2.2 The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business;
- 2.3. The Company has maintained proper records of inventories and discrepancies noticed on physical verification of inventories as compared to book records were not material.
- 3.1 The Company has neither granted nor taken any loans to and from companies, firms or other parties covered in the Register, maintained under Section 301 of the Companies Act, 1956.
- 3.2 The rate of interest and other terms and conditions in respect of unsecured loans given by the Company to its employees and others, are in our opinion, prima facie not prejudicial to the interest of the Company;
- 3.3 In respect of such loans given by the Company, where stipulations have been made, they have generally repaid the principal amounts as stipulated and have been regular in payment of interest, where applicable;
- 3.4 In respect of such loans given by the Company, there are no overdue amounts more than Rs.1,00,000.
- 4 There are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and for the sale of goods.
5. 5.1 The transactions made in pursuance of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been recorded in the register;
- 5.2 There are no transactions of purchase and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act 1956 aggregating the during the year to Rs. 5,00,000 or more in respect of each party.
6. The Company has complied with the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.



M M FORGINGS LIMITED

7. No order under Section 209(1)(d) of the Companies Act, 1956 has been passed by the Central Government for maintenance of cost records,
8. 8.1 According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues with appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 30th March , 2007 for a period more than six months from the date they became payable.
8.2 There are No Disputed Sales-tax, Customs Duty and Excise Duty.
9. The Company has no accumulated losses, in the current financial year and in the immediately preceding financial year.
10. The Company has not defaulted in repayment of its dues to banks and debenture holders.
11. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
12. The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund / Societies are not applicable to the Company.
13. The company is not dealing or trading in shares, securities, debentures or other investments and hence, the requirements of para 4 (xiv) are not applicable to the Company.
14. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
15. The Company has utilized the term loan availed during the year, for the purpose for which the same are sanctioned.
16. On the basis of our examination of the Cash Flow Statement, the funds raised on short-term basis have not been used on long term investments, as they have been financed out of internal accruals.
17. 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 during the year.
18. No debentures have been issued by the company.
19. The Company has not raised any money by way of Public issues during the year.
20. On the basis of our examinations and according the information and explanations given to us, no fraud, on or by the Company, has been noticed or reported during the year.

PLACE : TIRUCHIRAPALLI
DATE : 23.05.2010

For M/S G. RAMESHKUMAR & Co
CHARTERED ACCOUNTANTS

G.RAMESHKUMAR
PARTNER



M M FORGINGS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2010

	Schedule	As at 31.03.2010 (Rs. in Lakhs)		As at 31.03.2009 (Rs. in Lakhs)	
SOURCES OF FUNDS					
Shareholders' Funds					
Capital	1	1,207.04		1,207.04	
Reserves & Surplus	2	9,177.11		8,347.28	
Deferred Tax Liability	3	708.43	11,092.58	718.09	10,272.41
Loan Funds					
Secured Loans	4	11,434.45		11,135.45	
Unsecured Loans	5	-		-	
			11,434.45		11,135.45
			-----		-----
			22,527.03		21,407.86
			-----		-----
APPLICATION OF FUNDS					
Fixed Assets	6				
Gross Block		26,835.67		24,056.31	
Less: Depreciation		13,852.96	12,982.71	12,793.27	11,263.04
Capital Work-in-Progress			2,198.49		2,510.83
Investments	7		31.02		31.02
Current Assets	8				
Inventories		3,054.17		4,068.28	
Sundry Debtors		2,890.99		1,667.58	
Cash & Bank Balances		606.92		85.63	
Loans and Advances					
i) To Claims receivable		1,317.29		1,812.07	
ii) To Others	9	1,131.27		999.95	
			-----		-----
			9,000.64		8,633.51
			-----		-----
Less: Current Liabilities & Provisions					
Liabilities	10	1,333.83		526.81	
Provisions	11	352.00		503.73	
			-----		-----
			1,685.83		1,030.54
			-----		-----
			7,314.81		7,602.97
			-----		-----
Miscellaneous Expenses to be W/O					
Share Issue Expenses			22,527.03		21,407.86
			-----		-----

In terms of our Report of even date
For **G. RAMESH KUMAR & CO.**
Chartered Accountants

G. RAMESH KUMAR
Partner

Place : Kodaikanal
Date : 23-05-2010

V. NARAYANAN
Chairman

N. SRINIVASAN
Director

V. VAIDYANATHAN
Director

VIDYASHANKAR KRISHNAN
Managing Director

J. SUMATHI
Company Secretary



M M FORGINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010

	Sch.	F.Y.E. 31.03.2010 Rs. in lakhs	F.Y.E. 31.03.2009 Rs. in lakhs
INCOME			
Sales	12	15843.96	20680.95
Other Income	13	712.62	756.00
		-----	-----
		16556.58	21436.95
EXPENDITURE			
Raw Materials consumed	14	6943.21	9763.69
Outside Labour, Service & Hire Charges		182.83	181.17
Tools consumed		291.60	403.29
Stores consumed		284.85	330.26
Power and Fuel		1746.32	2277.01
Personnel costs	15	1698.64	1834.71
Repairs and Maintenance	16	408.01	568.67
Interest		616.11	876.58
Selling expenses	17	174.92	241.03
Export expenses	18	926.55	1118.03
Other expenses	19	489.89	609.99
Depreciation		1160.44	1638.75
(Increase)/decrease in stock of finished goods / Work-in-Process	20	451.00	170.52
		-----	-----
		15374.37	20013.70
		-----	-----
Profit for the year		1182.21	1423.25
Excess/(short) provision of IT of earlier years		(20.21)	(47.00)
Profit Before Tax		1162.00	1376.25
Provision for taxation		130.00	275.00
Fringe Benefit Tax		0.00	5.00
Deferred Tax Asset / (Liability)		9.66	(73.73)
Profit After Tax		1041.66	1022.52
Profit brought forward		234.22	223.53
Profit Available for Appropriation		1275.88	1246.05
Transfer to General Reserve		1000.00	800.00
Proposed Dividend		181.06	181.06
Provision for dividend tax		30.77	30.77
Balance carried to Balance Sheet		64.05	234.22

In terms of our Report of even date
For **G. RAMESH KUMAR & CO.**
Chartered Accountants

G. RAMESH KUMAR
Partner

Place : Kodaikanal
Date : 23-05-2010

V. NARAYANAN
Chairman

N. SRINIVASAN
Director

V. VAIDYANATHAN
Director

VIDYASHANKAR KRISHNAN
Managing Director

J. SUMATHI
Company Secretary



M M FORGINGS LIMITED

SCHEDULES TO BALANCE SHEET

	As at 31.03.2010 (Rs. in Lakhs)	As at 31.03.2009 (Rs. in Lakhs)
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
1,50,00,000 Equity Shares of Rs.10 each	1,500.00	1,500.00
Issued		
60,37,600 Equity Shares of Rs.10 each	603.76	603.76
Subscribed and Fully paid-up		
60,35,200 Equity Shares of Rs.10 each	1,207.04	603.52
Issue of Bonus Shares		603.52
	-----	-----
	1,207.04	1,207.04
	-----	-----
SCHEDULE 2		
RESERVES AND SURPLUS		
General Reserve		
As per last Balance Sheet	7,808.06	7,611.58
Add: Transfer during the year	1,000.00	800.00
	-----	-----
	8,808.06	8,411.58
Less: Reserves trfd. by issue of bonus shares	--	(603.52)
Share Premium Account	305.00	305.00
Surplus Balance in Profit & Loss Account	64.05	234.22
	-----	-----
	9,177.11	8,347.28
	-----	-----
SCHEDULE 3		
DEFERRED TAX LIABILITY		
As per Last Balance Sheet	718.09	644.36
For the current year	(9.66)	73.73
	-----	-----
	708.43	718.09
	-----	-----
SCHEDULE 4		
SECURED LOANS		
From Banks		
Secured by Stock of Raw Materials, Consumable Stores & Tools	4,314.15	3,343.93
Term Loans	7,120.30	7,791.52
	-----	-----
	11,434.45	11,135.45
	-----	-----
SCHEDULE 5		
UNSECURED LOANS		
	-	-

SCHEDULE 6

FIXED ASSETS

(Rs. in Lakhs)

Sl. No.	Fixed Assetsd	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as at 31.3.09	additions during the year	Deductions during the year	Cost as at 31.3.2010	Written upto off 31.3.09	For the year Depre-ciation	Deductions during the year	Written off upto 31.3.10	As at 31.3.10	As at 31.3.09
1.	Land	1,565.88	31.90	-	1,597.78	-	-	-	-	1,597.78	1,565.88
2.	Buildings	2,538.71	228.27	-	2,766.98	490.49	83.93	-	574.42	2,192.56	2,048.22
3.	Plant & Machinery	18,169.14	2,570.64	91.80	20,647.98	11,324.95	908.38	76.34	12,156.99	8,490.99	6,844.19
4.	Electrification	719.13	-	-	719.13	430.19	37.90	-	468.09	251.04	288.94
5.	Furniture & Fittings	107.57	0.59	-	108.16	42.91	10.57	-	53.48	54.68	64.66
6.	Office Equipment	154.48	4.75	-	159.23	51.12	7.36	-	58.48	100.75	103.36
7.	Office Vehicles	238.53	12.09	24.42	226.20	99.36	21.58	24.42	96.52	129.68	139.17
8.	Computers	562.87	47.34	-	610.21	354.25	90.72	-	444.97	165.24	208.62
	TOTAL	24056.31	2895.58	116.22	26835.67	12793.27	1160.44	100.76	13852.95	12982.72	11263.04





M M FORGINGS LIMITED

SCHEDULES TO BALANCE SHEET (Contd...)

	As at 31.03.2010 (Rs. in Lakhs)		As at 31.03.2009 (Rs. in Lakhs)	
SCHEDULE 7				
INVESTMENTS AT COST				
Investments (Trade)				
1. 20,000 Fully paid-up equity shares of Rs.100 each in Srivatsa Electric & Electronic Ltd. Face value Rs.20,00,000 (Unquoted)		20.00		20.00
Investments (Non-Trade)				
2. 10,720 Equity Shares of Rs.10 each of The Industrial Development Bank of India including bonus shares of 4,020 received during FY 02 (Quoted)		8.71		8.71
3. 385 Equity Shares of Rs.100 each of State Bank of Travancore (Quoted)		2.31		2.31
		-----		-----
		31.02		31.02
		-----		-----
Aggregate value of Quoted Investments	Cost	11.02	Cost	11.02
	Market Value	14.73	Market Value	5.68
Aggregate value of Unquoted Investments	Cost	20.00	Cost	20.00
SCHEDULE 8				
CURRENT ASSETS				
Inventories				
Tools		144.37		175.03
Consumable Stores		112.87		113.43
Stock of Machinery Spares at Cost		256.19		276.81
Stock-in-trade at lower of cost or market price				
Stock of Raw Materials at cost		1,121.02		1,632.29
Stock of Finished Goods / Work-in-process		1,419.72		1,870.72
		-----		-----
		3,054.17		4,068.28
		-----		-----
Sundry Debtors-Unsecured, Considered Good				
Outstanding for more than six months		31.51		44.44
Other Debts		2,859.48		1,623.14
		-----		-----
		2,890.99		1,667.58
		-----		-----



MM FORGINGS LIMITED

SCHEDULES TO BALANCE SHEET (Contd...)

	As at 31.03.2010 (Rs. in Lakhs)	As at 31.03.2009 (Rs. in Lakhs)
Cash and Bank Balances		
Cash with Scheduled Banks in Fixed Deposits	569.56	71.60
Cash with Scheduled Banks in Current Accounts	37.36	14.03
	-----	-----
	606.92	85.63
	-----	-----
SCHEDULE 9		
LOANS AND ADVANCES		
Others		
Advances and Deposits receivable in cash or kind, unsecured, considered good		
Advance for expenses	397.81	22.93
Other Advances	0.19	0.13
Advances to Staff	96.13	90.83
Sundry Deposits	179.30	217.30
Advance Tax	221.39	376.63
Liquid Fund	236.45	292.13
	-----	-----
	1,131.27	999.95
	-----	-----
SCHEDULE 10		
CURRENT LIABILITIES		
Sundry Creditors	1,333.83	526.81
	-----	-----
	1,333.83	526.81
	-----	-----
SCHEDULE 11		
PROVISIONS		
Proposed Dividends	181.06	181.06
Tax on dividend proposed	30.77	30.77
Income Tax Due	130.00	275.00
Fringe Benefit Tax Due	-	5.00
Unclaimed Dividend	10.17	11.90
	-----	-----
	352.00	503.73
	-----	-----



M M FORGINGS LIMITED

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	As at 31.03.2010 (Rs. in Lakhs)	As at 31.03.2009 (Rs. in Lakhs)
SCHEDULE 12		
SALES		
a. Domestic Sales		
Forged Components	4501.70	6357.23
Job receipts with customer materials	924.52	1055.84
	-----	-----
	5426.22	7413.07
b. Export Sales		
Forged Components	10417.74	13267.88
	10417.74	13267.88
	-----	-----
	15843.96	20680.95
	-----	-----
SCHEDULE 13		
OTHER INCOME		
a. Interest / Dividend Received	114.10	82.30
b. Others	0.05	0.63
c. Power Generated	598.47	673.07
	-----	-----
	712.62	756.00
	-----	-----
SCHEDULE 14		
RAW MATERIALS CONSUMED		
Opening Stock	1632.29	1815.96
Purchases (Net) Steel Bars	6431.94	9580.02
	-----	-----
	8064.23	11395.98
Less: Closing Stock	1121.02	1632.29
Sales	--	--
	-----	-----
	6943.21	9763.69
	-----	-----
SCHEDULE 15		
PERSONNEL COSTS		
Salaries, Wages, Allowances & Bonus	1294.44	1410.81
Company's contribution to Provident Fund, etc.	79.25	60.82
Co's contribution to Employees State Insurance	19.22	22.38
Co's contribution to Employees linked Insurance Fund	2.43	2.82
Co's contribution to Tamilnadu Labour Welfare Fund	0.08	0.05
Staff Welfare & Medical Expenses	141.79	148.05
Staff Gratuity	15.24	13.97
Director's remuneration	146.19	175.81
	-----	-----
	1698.64	1834.71
	-----	-----



M M FORGINGS LIMITED

SCHEDULES TO PROFIT AND LOSS ACCOUNT (Contd...)

	As at 31.03.2010 (Rs. in Lakhs)	As at 31.03.2009 (Rs. in Lakhs)
SCHEDULE 16		
REPAIRS AND MAINTENANCE		
Buildings	14.07	30.96
Machinery	393.94	537.71
	-----	-----
	408.01	568.67
	-----	-----
SCHEDULE 17		
SELLING EXPENSES		
Advertisement	3.96	3.19
Sales Promotion Expenses	2.16	6.37
Freight Charges (Net)	161.36	224.23
Excise Duty	0.05	0.09
Packing and Forwarding	7.39	7.15
	-----	-----
	174.92	241.03
	-----	-----
SCHEDULE 18		
EXPORT EXPENSES		
Packing and Forwarding	146.49	154.28
Insurance	36.16	55.82
Freight Charges	471.59	389.87
Machining Charges	0.15	8.65
Commission	161.61	385.36
Warehousing and other charges incurred overseas	110.09	123.63
Others	0.46	0.42
	-----	-----
	926.55	1118.03
	-----	-----
SCHEDULE 19		
OTHER EXPENSES		
Rent	15.41	9.03
Rates and Taxes	36.44	32.21
Printing & Stationery	23.66	37.94
Postage & Telegrams	2.66	3.54
Telephones	14.77	17.08
Legal charges	3.65	3.46
Audit Fees	7.77	6.18
Directors' Sitting Fees	0.64	0.84
Insurance Premium	51.62	51.94
Subscription	4.18	4.20



M M FORGINGS LIMITED

SCHEDULES TO PROFIT AND LOSS ACCOUNT (Contd...)

	As at 31.03.2010 (Rs. in Lakhs)	As at 31.03.2009 (Rs. in Lakhs)
Travelling Expenses	118.98	187.08
Material Movement	81.26	109.39
Vehicle Maintenance	39.98	42.69
Bank charges and commission	18.96	23.62
General charges	2.19	2.52
Consultancy charges	14.75	20.02
Security charges	28.37	36.11
Share Registry Expenses	0.67	1.38
Donations	23.93	20.76
	-----	-----
	489.89	609.99
	-----	-----
SCHEDULE 20		
INCREASE / DECREASE IN STOCK		
Stock of Finished Goods / Work-in-Process at the beginning of the year	1870.72	2041.24
Stock of Finished Goods / Work-in-Process at the end of the year	1419.72	1870.72
	-----	-----
	451.00	170.52
	-----	-----



M M FORGINGS LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENTS OF ACCOUNTS AS AT 31 MARCH 2010

A Detailed Quantitative information in respect of goods manufactured during the year ending 31st March 2010.

	2010	2009
	(Steel Forgings in Metric Tons)	
1. Licenced Capacity (on 600 shift basis)	Not Applicable	
2. Installed/Production Capacity (on 600 shift basis) (as certified by the Managing Director)	38,820 / 33,320	38,820 / 33,320
3. Opening Stock of goods produced	7,539	6,716
4. Closing Stock of Finished Goods / Work-in-Process	8,429	7,539
5. Sales	16,598	19,718
6. Sales Value (Rs. in lakhs)	15,844	20,680

B Details regarding raw materials and machinery spares consumed during the year

	2010		2009	
1. Raw Materials:				
Steel Bars (in tons)	24,226		27,221	
	Rs. in Lakhs	%	Rs. in Lakhs	%
Indigenous	6912.95	99.56	8,781.21	91.28
Imported	30.25	0.44	839.68	8.72
2. Machinery Spares				
Indigenous	178.32	99.68	284.49	95.38
Imported	0.57	0.32	13.78	4.62

C. Managerial Remuneration

	Mr. Vidyashankar Krishnan		Mr. K.Venkatramanan	
	2010	2009	2010	2009
Salary and allowances	40,68,000	44,83,000	37,68,000	44,57,680
Perquisites:				
Provident Fund	3,08,913	3,54,350	3,08,913	3,87,879
Superannuation	5,40,000	4,87,500	5,40,000	4,87,500
Gratuity Insurance	1,51,428	1,16,196	1,51,428	1,16,196
Others	52,132	2,06,252	35,562	34,020
Commission on Profits	21,00,000	30,00,000	21,00,000	30,00,000
Total	<u>72,20,473</u>	<u>86,47,298</u>	<u>69,03,903</u>	<u>84,83,275</u>

D. Commission and sitting fees to non-executive directors :

Year	Mr. V. Narayanan		Mr. V. Vaidyanathan		Mr. N.Srinivasan	
	2010	2009	2010	2009	2010	2009
Commission	2,75,000	2,50,000	1,10,000	1,00,000	1,10,000	1,00,000
Sitting Fees	24,000	29,000	28,000	33,000	12,000	22,000
Total	2,99,000	2,79,000	1,38,000	1,33,000	1,22,000	1,22,000



M M FORGINGS LIMITED

As per practice consistently followed, excise duty is payable on finished goods held at works, only at the point of clearance from works and the same is charged to the customer over and above the sale price and hence accounted only at the time of despatch. The accounting treatment has therefore no impact on profits.

E.	Computation of commission payable to Directors	(Rs.)	(Rs.)
	Profit before taxation		11,82,27,197
	Add: Directors' Sitting Fees	64,000	
	Managerial Remuneration	1,46,14,376	1,46,78,376
			13,29,05,573
	Managerial Remuneration payable U/S 309 @ 11%		1,46,19,613
	Actual Payment		1,46,19,376
F.	Expenditure in Foreign Currency (Rs.)	2010	2009
I	Travelling	55,08,662	73,94,301
II	Books & Periodicals	-	4,902
III	Raw Materials	30,25,333	8,39,67,678
IV	Consumable Stores / Tools	32,45,666	20,56,225
V	Export Expenses	1,93,59,707	5,78,67,265
VI	Capital Goods	76,18,467	16,03,59,429
VII	Machinery Spares	56,975	13,78,438
	Total	<u>3,88,14,810</u>	<u>31,30,28,238</u>
G.	Earnings in Foreign Currency on CIF Basis	99,87,84,260	1,28,28,12,532
H.	Contingent Liabilities		
a.	Letter of Guarantee	-	Nil
b.	Letters of Credit	-	Nil
c.	Export Bills Discounted	4,79,25,308	10,07,72,325
I.	No amount is due to any small scale industries outstanding for more than 30 days, except items which are in dispute.		
J.	Accounting Policies:		
	The Significant accounting policies followed by the Company are stated below:		
a.	Accounting Convention		
a. 1.	The Financial Statements have been prepared on Historical Cost convention		
a. 2.	The Company generally follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except those with significant uncertainties and export entitlements, which are accounted on a realisation basis.		
a. 3.	Sales does not include Excise duty paid		



M M FORGINGS LIMITED

- b. Fixed Assets
- b. 1. Fixed Assets stated at their original cost of acquisition/installation, and includes pre-operational expenses and interest on borrowed capital. Fixed assets are shown net of accumulated depreciation.
- b.2 The Company exercise the option of debiting the asset acquired out of foreign currency borrowings in respect of the additional liability arising out of exchange rate difference as at 31.03.2010. The additional liability so capitalised is at Rs.1115.87 lakhs. The additional depreciation arising out of such additional capitalisation is at Rs.35.62 lakhs
- b. 3 Capital work-in-progress is stated at amount spent up to the date of Balance Sheet and includes advances for capital expenditure
- c. Depreciation
Depreciation is provided at the rates specified in Schedule XIV of the Companies Act, 1956, on straight-line method and taking into account the technological obsolescence and the depletion in the life of the assets, depreciation at accelerated rate is provided, wherever required.
- d. Inventory
- d.1 Inventories of Raw Materials, Stores, Spares are valued at cost, which is arrived at under FIFO method.
- d.2 Goods in process and Finished Goods are valued at cost.
- e. Investments
Investments are long term and are stated at cost
- f. Retirement benefits
Premium paid to LIC under Group Gratuity Scheme of LIC, contribution to Provident Fund, Superannuation Fund and Leave Salary Balance are expensed
- g. Foreign Currency Transactions
Transactions in foreign currency are accounted at the equivalent Rupee Value on the date incurred/earned.
- h. Research and Development Expenses
Revenue expenditure on Research and Development is charged to revenue in the year in which it is incurred. Capital Expenditure on Research and Development is treated as addition to Fixed Assets.
- k. The Deferred Tax Asset as at 31.03.2010 as per Accounting Standard 22 is Rs.9.66 lakhs
- K. Related Part Disclosures
1. List of Parties where control exists
- | | |
|--------------------|--|
| Subsidiary Company | Srivatsa Electric & Electronic Limited |
| % of holding | 100% |
2. Other Related Parties with whom no transactions have taken place during the year. The Directors of the Company are Directors / Partners of the following concerns:



M M FORGINGS LIMITED

SHRI V. NARAYANAN

Other Directorship		Other Committee Memberships		
Name of the Company	Position	Name of the Company	Committee	Position
Tamil Nadu News Print & Papers Limited	Director	Glaxo Smithkline Pharmaceuticals Limited	Audit	Member
Samcor Glass Limited	Director	Tamil Nadu Newsprint & Papers Limited	Audit	Chairman
Glaxo Smithkline Pharmaceuticals Limited	Director	Rane Madras Limited	Audit	Chairman
Rane (Madras) Limited	Director	Sundram Fasteners Limited	Audit	Member
Samtel Colour Limited	Director	Lafarge India Pvt. Limited	Audit	Member
Lafarge India Pvt. Limited	Director	Rane Holdings Ltd	Audit	Member
Sundram Fasteners Limited	Director			
Rane Holdings Limited	Director			

SHRI N. SRINIVASAN

Other Directorship		Other Committee Memberships		
Name of the Company	Position	Name of the Company	Committee	Position
Andhra Pradesh Gas Power Corp. Ltd	Director	The India Cements Ltd.	Shareholders/ Investor Grievance	Member
Anna Investments Pvt. Ltd	Chairman	India Cements Capital Ltd	Audit	Member
Biosynth Life Sciences India Ltd.	Chairman	Coromandel Sugars Ltd	Audit	Chairman
Coromandel Electric Co. Ltd	Chairman			
Coromandel Sugars Ltd	Chairman			
E.W.Stevens & Co. Pvt. Ltd	Chairman			
EWS Finance & Invst Ltd	Chairman			
ICL Financial Services Ltd	Chairman			
ICL International Ltd	Chairman			
ICL Securities Ltd	Chairman			
ICL Shipping Ltd	Chairman			
India Cements Capital Ltd	Chairman			
Indo Zinc Ltd	Chairman			
Prince Holdings (Madras) P Ltd	Chairman			
Raasi Cement Limited	Chairman			
Rupa Holdings P Ltd	Chairman			
Thambi Investments Pvt.Ltd	Chairman			
Trishul Concrete Products P Ltd.	Chairman			
Unique Receivable Management P Ltd	Chairman			
The India Cements Limited	Vice Chairman & Managing			



M M FORGINGS LIMITED

SHRI V. VAIDYANATHAN

Other Directorship		Other Committee Memberships		
Name of the Company	Position	Name of the Company	Committee	Position
Chettinad MB – F Hi Silica Ltd	Director			
Double Vee Associates	Partner			

SHRI VIDYASHANKAR KRISHNAN

Other Directorship		Other Committee Memberships		
Name of the Company	Position	Name of the Company	Committee	Position
Srivatsa Electric & Electronic Limited	Director			
Synmax Consultants & Trading Private Limited	Director			
Unique Technologies	Partner			

SHRI K. VENKATRAMANAN

Other Directorship		Other Committee Memberships		
Name of the Company	Position	Name of the Company	Committee	Position
Srivatsa Electric & Electronic Limited	Director			
Synmax Consultants & Trading Private Limited	Director			
Sivasundar Private Ltd.	Director			
Unique Technologies	Partner			

In terms of our Report of even date
For **G. RAMESH KUMAR & CO.**
Chartered Accountants

G. RAMESH KUMAR
Partner

Place : Kodaikanal
Date : 23-05-2010

V. NARAYANAN
Chairman

N. SRINIVASAN
Director

V. VAIDYANATHAN
Director

VIDYASHANKAR KRISHNAN
Managing Director

J. SUMATHI
Company Secretary



MM FORGINGS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No. State Code Balance Sheet Date

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

Public Issue

Rights Issue

Bonus Issue

Private Placement

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

Total Liabilities

Total Assets

Sources of Funds

Paid-up Capital

Reserves & Surplus

Secured Loans

unsecured Loans

Application of Funds

Net Fixed Assets

Investment

Net Current Assets

Misc Expenditure

Accumulated Losses

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

Total Expenditure

Other Income

+ - Profit/Loss Before Tax

+ - Profit/Loss After Tax

(Please tick Appropriate box + for Profit, - for Loss)

Earnings Per Share in Rs.

Divident Rate %

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)

Forged or Stamped Other

Item Code No. (ITC Code)

Other Articles of Iron or Steel -Other



M M FORGINGS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2010

	As at 31.03.2010 (Rs. in Lakhs)	As at 31.03.2009 (Rs. in Lakhs)
A Cash Flow From Operating Activities		
Net Profit before Tax and Extra Ordinary Items	1,182.23	1,423.25
Adjustments for :		
Depreciation	1,160.44	1,638.75
Profit on Sale of Assets	(69.69)	-
Interest / Dividend received	(44.41)	(82.70)
Interest	616.11	876.58
Operating Profit before Working Capital Changes	2,844.68	3,855.88
Adjustments for :		
Decrease/(Increase) Trade and Other Receivables	(1,070.90)	(383.32)
Decrease/(Increase) Inventories	1,014.11	192.30
Increase/(Decrease) Trade Payables	807.03	(866.34)
Decrease/(Increase) Call Money Fund	55.68	1,174.70
Cash Generated from Operations	3,650.60	3,973.22
Interest Paid	(616.11)	(876.58)
Direct Taxes Paid for last year	(20.21)	(47.00)
Direct Taxes Paid include advance tax for current year	(124.76)	(373.12)
Dividend Paid	(182.79)	(301.76)
Tax on Dividend	(30.77)	(51.28)
Net Cash from Operating Activities (A)	2,675.96	2,323.48
B Cash Flow From Investing Activities		
Purchase of Fixed Assets	(2,583.22)	(3,169.31)
Interest/Dividend	44.41	82.70
Sale of Fixed Assets	85.15	-
Increase/Decrease in Short Term Loans	970.21	(1,013.85)
Net Cash from Investing Activities (B)	(1,483.45)	(4,100.46)
C Cash Flow From Financial Activities		
Increase/Decrease in Term Loan	(671.22)	1,776.25
Net Cash from financing Activities (C)	(671.22)	1,776.25
D Net Increase in Cash / Cash Equivalents (A+B+C)	521.29	(0.73)
Cash and Cash Equivalents - (Opening Balance)	85.63	86.36
Cash and Cash Equivalents - (Closing Balance)	606.92	85.63
Increase/(Decrease)	521.29	(0.73)

In terms of our Report of even date
For **G. RAMESH KUMAR & CO.**
Chartered Accountants

G. RAMESH KUMAR
Partner

Place : Kodaikanal
Date : 23-05-2010

V. NARAYANAN
Chairman

N. SRINIVASAN
Director

V. VAIDYANATHAN
Director

VIDYASHANKAR KRISHNAN
Managing Director

J. SUMATHI
Company Secretary



M M FORGINGS LIMITED

STATEMENT REGARDING SUBSIDIARY COMPANY **Statement in pursuance of Section 212 of the Companies Act, 1956**

1. Name of the subsidiary company : Srivatsa Electric & Electronic Limited
2. Financial year of the Subsidiary Company : 31st March 2010
3. a. No. of equity shares held in the subsidiary company by the holding company at the above date : 20000 equity shares of Rs.100 each
Percentage of holding (Equity) : 100%
- b. No of preference shares held in the subsidiary company by the holding company at the above date : Nil
4. Net aggregate amount of the Loss of the subsidiary not dealt with in the holding company's accounts :
 - a. For the financial year of the subsidiary company : Nil
 - b. For the previous financial years of the subsidiary company : Nil
5. Net aggregate amount of the profits of the subsidiary dealt with in the holding company's accounts :
 - c. For the financial year of the sub subsidiary company : Nil
 - d. For the previous financial years of the subsidiary company : Nil

SRIVATSA ELECTRIC AND ELECTRONIC LIMITED

Regd. Office : 95, Anna Salai, Chennai - 600 032.

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SRIVATSA ELECTRIC AND ELECTRONIC LIMITED

Regd. Office : 95, Anna Salai, Chennai - 600 032.

Board of Directors **Shri Vidyashankar Krishnan**, Director
 Shri K. Venkatramanan, Director
 Shri N.Ramnath, Director

Bankers **Bank of India**
 97, Anna Salai
 Guindy Branch,
 Chennai – 600 032

Auditors **M/s. G.Ramesh Kumar & Co.**
 Akila Lands, Ganapathy Colony (South)
 Thiruvanaikoil, Trichirappalli
 Pin Code – 620 005.

SRIVATSA ELECTRIC AND ELECTRONIC LIMITED

Regd. Office : 95, Anna Salai, Chennai - 600 032.

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 52nd Annual General Meeting of the shareholders of Srivatsa Electric and Electronic Limited will be held on Friday, the 27th August 2009, at 1.30 P.M. at the Registered Office of the Company at 95 Anna Salai, Chennai - 600 032 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet and Profit and Loss Account for the year ended 31st March 2010 and the Reports of Directors and Auditors thereon.
2. To appoint a Director in the place of Sri N. Ramnath who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring Auditors M/s. G.Ramesh Kumar & Co., Chartered Accountants, Trichirappalli are eligible for re-appointment.

Place : Kodaikanal
Date : 23.05.2010

For and on behalf of the Board
VIDYASHANKAR KRISHNAN
Director

Note : A member entitled to attend and vote at the meeting, shall be entitled to appoint another person as his proxy to attend and vote instead of himself and the Proxy need not be a member.

SRIVATSA ELECTRIC AND ELECTRONIC LIMITED

Regd. Office : 95, Anna Salai, Chennai - 600 032.

DIRECTOR'S REPORT

1. The Directors submit their Fifty Second Annual Report to the shareholders of the company. The Profit and Loss Account for the year ended 31st March 2010 and Balance Sheet as at that date together with the Auditor's Report thereon are attached.
2. **Deposits**
The Company has not taken any deposits
3. **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo**
Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given in Annexure I which forms part of this report.
4. **Particulars of Employment**
None of the employees have drawn remuneration of not more than Rs.24,00,000/- per annum or Rs.2,00,000/- per month during part of the year.
5. **Directors**
Shri N. Ramnath retires by rotation and being eligible, offers himself for re-appointment.
6. **Auditors**
The retiring Auditors, M/s G.Ramesh Kumar & Co, Chartered Accounts, Tiruchiripalli, are eligible for re-appointment

Place : Chennai
Date : 23.05.2010

By Order of the Board
VIDYASHANKAR KRISHNAN
Director

ANNEXURE I TO DIRECTORS REPORT

Information in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31st March 2010.

(A) CONSERVATION OF ENERGY

- a. Energy Conservation measures undertaken:
- b. Additional Investment and proposals, if any, being implemented for the reduction of consumption of energy:
- c. Impact of measures at (a) & (b) for reduction of energy consumption and consequent impact on the cost of production of goods:
- d. Total energy consumption and energy consumption per unit as per prescribed form:

There are no significant energy consuming equipments and the total cost of electricity purchased was only Rs.Nil

SRIVATSA ELECTRIC AND ELECTRONIC LIMITED

Regd. Office : 95, Anna Salai, Chennai - 600 032.

(B) TECHNOLOGY ABSORPTION

RESEARCH & DEVELOPMENT (R & D)

1. Specific areas in which R & D carried out by the Company
2. Benefits derived as a result of the above R & D
3. Future plan of action
4. Expenditure on R & D

The available technology has been utilised and modified to suit Indian conditions and Electronic Ignition Magnetos have been Pioneered by the Company for use in 50 cc Mopeds

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief, made towards technology absorption, adaptation and innovation:

The foreign technology has been duly absorbed and also innovations made to make the Company's products more suitable for the Indian conditions.

2. Benefits derived as a result of the above efforts:

As stated, the pioneering efforts of the Company in developing the Electronic Ignition Magnetos for 50cc Mopeds have been successful and the benefits derived include fuel savings, riding comfort and less maintenance costs of the vehicles.

3. Technology imported during the last 5 years:

The technology for the manufacture of Electronic Ignition Magnetos imported from Robert Bosch was successfully absorbed.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to exports :

2. Initiatives taken to increase exports and development of new export markets for products and services and export plans:

3. Total Foreign Exchange

- | | | | |
|----|--------|---|-----|
| a. | Used | - | Nil |
| b. | Earned | - | Nil |

Place : Chennai
Date : 23.05.2010

By Order of the Board
VIDYASHANKAR KRISHNAN
Director

SRIVATSA ELECTRIC AND ELECTRONIC LIMITED

Regd. Office : 95, Anna Salai, Chennai - 600 032.

DIRECTORS RESPONSIBILITY STATEMENT

The Directors have fulfilled their responsibility for the preparation of the accompanying financial statements by taking all reasonable steps to ensure that

- These statements have been prepared in conformity with generally accepted accounting principles and appropriate accounting standards. Judgements and estimates that are reasonable and prudent have been made where necessary.
- The accounting policies selected and applied consistently give a true and fair view of the financial statements.
- The Company has implemented internal controls to provide reasonable assurance of the reliability of its financial records, proper safeguarding and use of its assets and detection of frauds and irregularities. Such controls are based on established policies and procedures, and are implemented by trained, skilled and qualified personnel with an appropriate segregation of duties. The Company's Internal Auditors conduct regular internal audits, which complement the internal controls. "Integrity" is one of the core values of the Company, which prescribes that the Company and all employees are to maintain the highest ethical standards and that its business practices are to be conducted in a manner above reproach.

The Company's statutory auditors M/S Ramesh Kumar & Co., Chartered Accountants, Tiruchirapalli, have audited the financial statements in accordance with generally accepted auditing standards and practices as indicated in their report.

Place : Chennai
Date : 23.05.2010

VIDYASHANKAR KRISHNAN
Director

SRIVATSA ELECTRIC AND ELECTRONIC LIMITED

Regd. Office : 95, Anna Salai, Chennai - 600 032.

COMPLIANCE CERTIFICATE

CIN of the Company : U67120TN1958PLC003655
Paid Up Capital : Rs. 20,00,000/-

FORM
[SEE RULE 3]
Compliance Certificate

To,

THE MEMBERS,

SRI VATSA ELECTRIC & ELECTRONIC LIMITED,
Chennai.

I have examined the registers, records, books and papers produced to me for my verification pertaining to the financial year 2009-2010 of M/S. SRI VATSA ELECTRIC & ELECTRONIC LIMITED, as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2010. In my opinion and to the best of my information and according to the examinations carried out by me of the documents produced to me and explanations furnished to me by the Company, its officers and agents, I, on strength and reliance of the documents produced and information provided to me, pertaining to the financial year 2009-2010, certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained applicable registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and applicable entries therein have been recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities under the Act and the rules made thereunder.
3. The Company being public limited Company has the minimum prescribed paid-up capital.
4. The Board of Directors met 5 (Five times) on 15.05.2009, 29.07.2009, 07.08.2009, 21.10.2009 and 27.01.2010 in respect of which meetings notices were given and the proceedings were recorded in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended on 31.03.2009 was held on 07.08.2009 after giving notice to the members of the Company and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
7. No Extra-Ordinary Meeting was held during the financial year.
8. As per information provided to me it appears that, the Company has not advanced any loan to its directors and/or persons or firms or companies referred in the Section 295 of the Act during the financial year.

SRIVATSA ELECTRIC AND ELECTRONIC LIMITED

Regd. Office : 95, Anna Salai, Chennai - 600 032.

9. As per information provided to me, the Company has not entered into any contract falling within the purview of Section 297 of the Act
10. The Company has by and large made entries in the register maintained under Section 301 of the Act.
11. As explained to me, it seems that there were no instances falling within purview of Section 314 of the Act, therefore Company has not obtain necessary approvals from the Board of Directors, members and previous approval of the Central Government, as the case may be.
12. As per records shown to me, the Company has not issued any duplicate share certificates during the financial year.
13. As per documents produced to me, the Company:
 - (i) has not delivered any share certificate as there was no allotment/transfer/transmission of securities during the financial year.
 - (ii) has not deposited any amount in a separate bank account as no dividend was declared during the financial year.
 - (iii) was not required to post dividend warrants to any member of the Company as no dividend was declared during the financial year.
 - (iv) was not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund as there was no such amount outstanding during the financial year under review.
 - (v) has generally, complied with the requirements of Section 217 of the Act.
14. Board of Directors of the Company is constituted and there was no appointment of directors/ additional directors / alternate directors/ director to fill casual vacancies during the financial year.
15. The Company has not appointed any Managing Director/ Whole-time Director/Manager during the financial year under scrutiny.
16. The Company has not appointed any sole-selling agent during the financial year.
17. As per information provided to me and observations made by us of the records produced to us, no approval was required to be taken by the Company from the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
18. As per the documents produced to me, the directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. As per records of the Company, the Company has not issued any Shares or securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. As there was no preference shares/debenture issued, there was no redemption of preference shares/ debentures during the year.

SRIVATSA ELECTRIC AND ELECTRONIC LIMITED

Regd. Office : 95, Anna Salai, Chennai - 600 032.

22. There was no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. As per documents produced to me, the Company has not accepted deposits under section 58A from public during the financial year.
24. As per information provided to us, the Company has not made any borrowings during the financial year.
25. The Company has not made any loans, or advances, or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the financial year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the financial year.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company, during the financial year.
29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its articles of association during the financial year.
31. As per explanations given to me, there was no prosecution initiated against or show cause notices received by the Company and no fines/penalties or any other punishment imposed on the Company during the financial year for offences under the act.
32. The Company has not received any security deposit from its employees during the financial year under scrutiny.
33. The Company has not constituted any Fund under section 418 of the Act.

Place: Chennai
Date:23.05.2010

For K.V.Srinivasan
(Practicing Company Secretary)

Sd/-
C.P. No. 7998

SRIVATSA ELECTRIC AND ELECTRONIC LIMITED

Regd. Office : 95, Anna Salai, Chennai - 600 032.

ANNEXURE A

Registers as maintained by the Company

SI. No.	Under Section	Name of the Register
1	150	Register of Members
2	193	Minutes of All meeting of Board of Directors
3	193(1)	Minutes of General Meeting
4	303	Register of Directors
5	307	Register of Directors' Share holding
6		Register of Documents Sealed

ANNEXURE B

Returns / Documents / Forms as filed / Re-submitted by the Company with the Registrar of Companies from 01.04.2009 to 31.03.2010

SI. No.	Form No.	Under Section	Description	Date of filing	Whether filed within prescribed time	If delay in filing whether requisite additional fee paid
1	23AC & 23ACA	220	Balance Sheet and Profit & Loss Account for the year ended 31.03.2009	28.08.2009	Yes	No
2	20 B	159	Annual Return as on AGM 07.08.2009	15.09.2009	Yes	No
3	66	383A	Compliance Certificate for the year ended 31.03.09	18.08.2009	Yes	No

Forms and Returns as filed by the Company with Regional Director during the financial year ending on 31st March 2010. Nil

Forms and Returns as filed by the Company with Central Government or other authorities during the financial year ending on 31st March 2010. Nil

SRIVATSA ELECTRIC AND ELECTRONIC LIMITED

Regd. Office : 95, Anna Salai, Chennai - 600 032.

AUDITORS' REPORT

TO THE SHAREHOLDERS OF

SRIVATSA ELECTRIC AND ELECTRONIC LIMITED

Chennai - 600 032

We have audited the attached Balance Sheet of Srivatsa Electric & Electronic Limited as at 31st March 2010 and also the operating, Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Manufacturing and other Companies (Auditor's Report) Order, 1975 issued by the Company Law Board in terms of Sec.227(4A) of the Companies Act 1956. We enclosed in the Annexure a statement on the matter specified in the said order.

Further to our comments in the Annexure referred to in Paragraph 1 above.

1. 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.
2. 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.
3. The Balance Sheet and Manufacturing, Trading, Profit and Loss Account dealt with by this report comply with the accounting standards referred to in Sub-section (3c) of Section 211 of the Companies Act 1956.
4. On the basis of written representations received from the Directors as at 31st March 2006 and taken on record by the Directors, we report that none of the Directors is disqualified as on 31st March 2006 from being appointed as a Director in terms of Clause (g) of Sub-section 274 of the Company's Act, 1956.
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 and give a true and fair view conformity with the accounting principles generally accepted in India.
 - a) In the case of Balance Sheet of the State of affairs of the Company as at 31st March 2010 and
 - b) In the case of operating Profit and Loss Account, of the LOSS of the Company for the year ended on that date.

In accordance with the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, we report as follows:

SRIVATSA ELECTRIC AND ELECTRONIC LIMITED

Regd. Office : 95, Anna Salai, Chennai - 600 032.

1. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. The fixed assets were physically verified during the year and no discrepancies noticed on such verification.
2. None of the fixed assets has been revalued during the year.
3. Physical verification has been conducted by the Management at reasonable periods during the year in respect of raw materials, finished goods, spares and stores.
4. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to size of the Company and the nature of its business.
5. The discrepancies noticed on physical verification of stocks as compared to the book records which were not material have been properly dealt with in the Books of Account.
6. On the basis of our examination, we are satisfied that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles. The basis of valuation of stocks is the same as in the preceding year.
7. The Company has not taken any secured or unsecured loans from Companies, firms, or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and companies under the same Management as defined under Sub-section (1B) of Section 370 of the Companies Act, 1956.
8. The Company has not granted any loans secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and companies under the same Management as defined under Sub-section (1B) of Section 370 of the Companies Act, 1956.
9. The parties to whom loans and advances in the nature of loans have been given by the Company are repaying the principal amount as stipulated and are also regular repayment of interest wherever applicable.
10. The Company has given advances in the nature of loans to the employees which are interest free and are being recovered as stipulated.
11. In our opinion, there are adequate control procedures commensurate with the size and nature of the Company for purchase of raw materials, including components, stores, plant and machinery, equipment and other assets and for the sale of goods.
12. The transaction for purchase of goods and materials and sale of goods and materials aggregating Rs.50,000 in respect of each party in pursuance of contracts and arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable, having regard to the prevailing market prices and the prices at which transactions for similar goods have been made with other parties.
13. Unserviceable and damaged stores, raw materials and finished goods have been determined and provision for the loss has been made in the books.

SRIVATSA ELECTRIC AND ELECTRONIC LIMITED

Regd. Office : 95, Anna Salai, Chennai - 600 032.

14. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58-A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
15. In our opinion, the Company is maintaining reasonable records for the sale and disposal of realisable by-products and scrap (we are informed that the Company has no by-products).
16. In our opinion, the Company has an internal audit system commensurate with its size and nature of business.
17. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
18. The Company is regular in depositing Provident Fund dues and Employees State Insurance dues with the appropriate authorities and there are no arrears as on the date of the Balance Sheet.
19. There were no disputed amounts payable in respect of Income-tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty outstanding for a period of more than six months from the date they became payable as at the last day of the financial year.
20. Based on the test checks carried out by us and to the information and explanations given to us, no personal expenses of employees or Directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
21. The Company is not a sick industrial company within the meaning of Clause (o) of Sub-section 1 of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
22. Damaged trading goods have been determined periodically and provision has been made for the loss in the accounts.

For G.RAMESH KUMAR & CO.
Chartered Accountants

Place: Trichirappalli
Date: 23.05.2010

G. RAMESH KUMAR
Partner

SRIVATSA ELECTRIC AND ELECTRONIC LIMITED

Regd. Office : 95, Anna Salai, Chennai - 600 032.

BALANCE SHEET AS AT 31st MARCH, 2010

	Schedule	As at 31.03.2010 (Rs. in Lakhs)		As at 31.03.2009 (Rs. in Lakhs)	
SOURCES OF FUNDS					
Shareholders' Funds					
Capital	1	20.00		20.00	
Reserves & Surplus	2	(2.59)	17.41	(2.59)	17.41
		-----		-----	
Loan Funds					
Secured Loans	3	--		--	
			--		--
			-----		-----
			17.41		17.41
			-----		-----
APPLICATION OF FUNDS					
Fixed Assets	4				
Gross Block		25.14		25.14	
Less: Depreciation		12.57	12.57	12.57	12.57
CURRENT ASSETS					
a. Inventories	5	-		-	
b. Sundry Debtors	6	2.51		2.51	
c. Cash & Bank Balances	7	2.33		2.33	
d. Loans and Advances	8	-		-	
		-----		-----	
		4.84		4.84	
Less : Current Liabilities & Provisions					
Liabilities	9	--		--	
Provision for Tax		--		--	
		-----		-----	
		--	4.84	--	4.84
			-----		-----
			17.41		17.41
			-----		-----

In terms of our Report of even date

G. RAMESH KUMAR & CO.
Chartered Accountants

G. RAMESH KUMAR
Partner

VIDYASHANKAR KRISHNAN
N. RAMNATH
Directors

Place : Kodaikanal
Date : 23-05-2010

SRIVATSA ELECTRIC AND ELECTRONIC LIMITED

Regd. Office : 95, Anna Salai, Chennai - 600 032.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

	Sch.	F.Y.E. 31.03.2010 Rs. in lakhs	F.Y.E. 31.03.2009 Rs. in lakhs
INCOME			
Sales		--	--
		----	----
		--	--
EXPENDITURE		----	----
Materials Consumed	10	-	-
Outside Labour, Service & Hire Charges		-	-
Tools Consumed		-	-
Stores Consumed		-	-
Power & Fuel		-	0.63
Personnel Costs	11	-	7.83
Repairs & Maintenance	12	-	-
Interest		-	-
Selling Expenses	13	-	-
Other Expenses	14	-	0.35
Depreciation		-	-
(Incr.)/Decrease in WIP/Finished Goods	15	-	-
		----	----
		--	8.81
		----	----
NET PROFIT for the year		-	(8.81)
Excess / (Short) provision for IT		-	(2.00)
Profit Before Tax		-	(10.81)
Provision for Tax		-	-
Profit After Tax		-	(10.81)
Balance b/f from previous year		(21.08)	(10.27)
Transfer to General Reserve		-	-
Deferred Tax - Asset / (Liability)		-	-
Balance C/F to Balance Sheet		(21.08)	(21.08)

In terms of our Report of even date

G. RAMESH KUMAR & CO.
Chartered Accountants

VIDYASHANKAR KRISHNAN
N. RAMNATH
Directors

G. RAMESH KUMAR
Partner

Place : Kodaikanal
Date : 23-05-2010

SRIVATSA ELECTRIC AND ELECTRONIC LIMITED

Regd. Office : 95, Anna Salai, Chennai - 600 032.

SCHEDULES TO BALANCE SHEET

	As at 31.03.2010 (Rs. in Lakhs)	As at 31.03.2009 (Rs. in Lakhs)
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
24,000 Equity Shares of Rs.100 each	24.00	24.00
	-----	-----
Issued, Subscribed and Paid-up		
20,000 Equity Shares of Rs.100 each	20.00	20.00
	-----	-----
	20.00	20.00
	-----	-----
SCHEDULE 2		
RESERVES AND SURPLUS		
Central Investment Subsidy	9.05	9.05
Deferred Tax Liability	9.44	9.44
Profit & Loss Account	(21.08)	(21.08)
	-----	-----
	(2.59)	(2.59)
	-----	-----
SCHEDULE 3		
SECURED LOANS		
From Banks	--	--

SCHEDULE 4 - FIXED ASSETS

Sl. No.	Fixed Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as at 31.3.09	additions during the year	Deductions during the year	Cost as at 31.3.10	Written upto off 31.3.09	For the year Depreciation	Deductions during the year	Written off upto 31.3.10	As at 31.3.10	As at 31.3.09
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1.	Land	1.83	-	-	1.83	-	-	-	-	1.83	1.83
2.	Buildings	21.95	-	-	21.95	12.08	-	-	12.08	9.87	9.87
3.	Plant and Machinery	-	-	-	-	-	-	-	-	-	-
4.	Furniture & Fittings	0.26	-	-	0.26	0.22	-	-	0.22	0.04	0.04
5.	Vehicles	0.67	-	-	0.67	0.06	-	-	0.06	0.61	0.61
6.	Computer	0.43	-	-	0.43	0.21	-	-	0.21	0.22	0.22
TOTAL		25.14	-	-	25.14	12.57	-	-	12.57	12.57	12.57

SRIVATSA ELECTRIC AND ELECTRONIC LIMITED

Regd. Office : 95, Anna Salai, Chennai - 600 032.

SCHEDULES TO BALANCE SHEET (Contd...)

	As at 31.03.2010 (Rs. in Lakhs)	As at 31.03.2009 (Rs. in Lakhs)
SCHEDULE 5 INVENTORIES	--	--
SCHEDULE 6 SUNDRY DEBTORS		
Other Debts	2.51	2.51
	-----	-----
	2.51	2.51
	-----	-----
SCHEDULE 7 CASH AND BANK BALANCES		
Bank of India	2.33	2.33
	-----	-----
	2.33	2.33
	-----	-----
SCHEDULE 8 LOANS AND ADVANCES (UNSECURED BUT CONSIDERED GOOD)	--	--
SCHEDULE 9 CURRENT LIABILITIES	--	--

SCHEDULES TO PROFIT AND LOSS A/C

SCHEDULE 10 MATERIALS CONSUMED	--	--
SCHEDULE 11 PERSONNEL COSTS		
Salaries, Wages, Allowances & Bonus	--	5.18
Gratuity	--	2.65
	-----	-----
	--	7.83
	-----	-----

SRIVATSA ELECTRIC AND ELECTRONIC LIMITED

Regd. Office : 95, Anna Salai, Chennai - 600 032.

SCHEDULES TO PROFIT AND LOSS ACCOUNT (Contd...)

	As at 31.03.2010 (Rs. in Lakhs)	As at 31.03.2009 (Rs. in Lakhs)
SCHEDULE 12		
REPAIRS AND MAINTENANCE	--	--
SCHEDULE 13		
SELLING EXPENSES	--	--
SCHEDULE 14		
OTHER EXPENSES		
Rent	--	0.22
Telephone Charges	--	0.11
Conveyance	--	0.01
Bank Charges	--	0.01
	-----	-----
	--	0.35
	-----	-----
SCHEDULE 15		
(INCREASE)/DECREASE IN STOCK OF WIP/FINISHED GOODS		
(INCREASE)/DECREASE IN STOCK	--	--
	-----	-----
	--	--
	-----	-----

SRIVATSA ELECTRIC AND ELECTRONIC LIMITED

Regd. Office : 95, Anna Salai, Chennai - 600 032.

NOTES AND THE ACCOUNTING POLICIES

1. Number of employees employed throughout the year/for part of the year and who were in receipt of remuneration of not more than Rs.24,00,000 p.a. or at a rate of Rs.2,00,000 p.m.: Nil
2. Import of Capital Goods: Nil
3. Value of Imported Spares / Components consumed in the year:

	2010		2009	
	Rs.	%	Rs.	%
a. Raw Materials				
Indigenous	-----		-----	
Imported	-----		-----	
b. Consumable Stores				
Indigenous	-----		-----	
Imported	-----		-----	
4. Amount Remitted in Foreign Currency	-----		-----	
5. Earnings in Foreign Currency	-----		-----	
6. Details of Licenced / Installed Capacities class of goods manufactured:				

FLYWHEEL MAGNETO

Licenced Capacity (Units)	5,00,000	5,00,000
Installed Capacity (Units)	75,000	75,000
(As certified by the Director and accepted by the Auditors)		

FLYWHEEL MAGNETO

	2010	2009
Opening Stock	-----	-----
Production		
Sales		
Closing Stock	-----	-----

SRIVATSA ELECTRIC AND ELECTRONIC LIMITED

Regd. Office : 95, Anna Salai, Chennai - 600 032.

7. Accounting Policies:

The Significant accounting policies followed by the Company are stated below:

- a) Accounting Convention
 - i) The Financial Statements have been prepared on Historical Cost convention
 - ii) The Company generally follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except those with significant uncertainties
 - iii) Sales does not include Excise duty paid
 - b) Fixed Assets
 - i) Fixed Assets stated at their original cost of acquisition/installation, and includes pre-operational expenses and interest on borrowed capital. Fixed assets are shown net of accumulated depreciation
 - ii) Capital work-in-progress is stated at amount spent upto the date of Balance Sheet and includes advances for capital expenditure
 - c) Depreciation
Depreciation is provided at the rates specified in Schedule XIV of the Companies Act, 1956, on straight-line method
 - d) Inventory
 - i) Inventories of Raw Materials, Stores, Spares are valued at cost which is arrived at under FIFO method.
 - ii) Goods in process are valued at direct cost which includes material and conversion cost
 - iii) Finished goods are valued on full absorption costs basis and include material, labour and all overheads.
 - e) Retirement benefits
Contribution to Provident Fund and Leave Salary Balance are expensed. Gratuity is accounted as and when paid
 - f) Research and Development Expenses
Revenue expenditure on Research and Development is charged to revenue in the year in which it is incurred. Capital Expenditure on Research and Development is treated as addition to Fixed Assets.
8. The Deferred Tax Asset as at 31.03.2010 as per Accounting Standard 22 is Nil
9. Figures for the previous year have been regrouped for the purpose of comparison wherever necessary.

SRIVATSA ELECTRIC AND ELECTRONIC LIMITED

Regd. Office : 95, Anna Salai, Chennai - 600 032.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No. State Code
 Balance Sheet Date

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

Public Issue	Rights Issue
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>
Bonus Issue	Private Placement
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>

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

Total Liabilities	Total Assets
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="1"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="1"/>

Sources of Funds

Paid-up Capital
 Secured Loans

Reserves & Surplus
 Unsecured Loans

Application of Funds

Net Fixed Assets
 Net Current Assets
 Accumulated Losses

Investment
 Misc Expenditure

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	Total Expenditure
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>
Other Income	
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>	
+ - Profit/Loss Before Tax	+ - Profit/Loss After Tax
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>

(Please tick Appropriate box + for Profit, - for Loss)

Earnings Per Share in Rs.	Divident Rate %
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code) Magneto
 Item Code No. (ITC Code) PCB Assembly

SRIVATSA ELECTRIC AND ELECTRONIC LIMITED

Regd. Office : 95, Anna Salai, Chennai - 600 032.

Cash Flow Statement for the year ended 31st March 2010	As at 31.03.2010 (Rs. in Lakhs)	As at 31.03.2009 (Rs. in Lakhs)
A Cash Flow From Operating Activities		
Net Profit before Tax and Extra Ordinary Items	-	(8.81)
Adjustments for :		
Depreciation	-	-
Loss on Sale of Assets	-	-
Interest / Dividend received	-	-
Interest	-	-
	-----	-----
Operating Profit before Working Capital Changes	-	(8.81)
Adjustments for :		
Decrease/(Increase) Trade and Other Receivables	-	1.00
Decrease/(Increase) Inventories	-	-
Increase/(Decrease) Trade Payables	-	(0.03)
	-----	-----
Cash Generated from Operations	-	(7.84)
Interest Paid	-	-
Direct Taxes Paid for last year	-	-
Direct Taxes Paid include advance tax for current year	-	-
Dividend Paid	-	-
Tax on Dividend	-	-
	-----	-----
Net Cash from Operating Activities (A)	-	(7.84)
	-----	-----
B Cash Flow From Investing Activities		
Purchase of Fixed Assets	-	-
Interest/Dividend	-	-
Sale of Fixed Assets	-	-
Increase/Decrease in Short Term Loans	-	-
Net Cash from Investing Activities (B)	-	-
	-----	-----
C Cash Flow From Financial Activities		
Increase/Decrease in Term Loan	-	-
Net Cash from financing Activities (C)	-	-
	-----	-----
D Net Increase in Cash / Cash Equivalents (A+B+C)		
	-	(7.84)
Cash and Cash Equivalents - (Opening Balance)	2.33	10.17
Cash and Cash Equivalents - (Closing Balance)	2.33	2.33
Increase/(Decrease)	-	(7.84)

In terms of our Report of even date

G. RAMESH KUMAR & CO.
Chartered Accountants

G. RAMESH KUMAR
Partner

VIDYASHANKAR KRISHNAN
N. RAMNATH
Directors

Place : Kodaikanal
Date : 23-05-2010



M M FORGINGS LIMITED

**CONSOLIDATED ACCOUNTS OF
M M FORGINGS LIMITED AND ITS SUBSIDIARY**



M M FORGINGS LIMITED

CONSOLIDATED AUDITORS REPORT TO THE MEMBERS OF M M FORGINGS LIMITED

1. We have Audited the attached Consolidated Balance Sheet of M.M. FORGINGS LIMITED and its subsidiary as at 31 March 2010 and also the operating, Profit and Loss Account for the Year Ended on that date annexed thereto the Consolidated Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's Management. Our Responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of the Accounting Standard 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate Audited Financial Statements of M M Forgings Limited and its subsidiary included in the Consolidated Financial Statements. Further to our comments in the Annexure referred to in Paragraph 1 above.
4. On the basis of the information and explanations given to us on consideration of the separate audit reports on individual audited financial statements of M M Forgings Limited and its subsidiary, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
 - 4.1 In the case of consolidated Balance Sheet of the State consolidated affairs of M M Forgings Limited and its subsidiary as at 31 March 2010;
 - 4.2 In the case of consolidated Profit and Loss Account, of the consolidated results of operations of M M Forgings Limited and its subsidiary for the year ended on that date; and
 - 4.3 In the case of the consolidated Cash Flow Statement, of the consolidated cash flows of M M Forgings Limited and its subsidiary for the year ended on that date.

PLACE : TIRUCHIRAPALLI
DATE : 23.05.2010

For M/s. G. RAMESHKUMAR & Co.
CHARTERED ACCOUNTANTS
GRAMESHKUMAR
PARTNER



M M FORGINGS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2010

	Schedule	As at 31.03.2010 (Rs. in Lakhs)		As at 31.03.2009 (Rs. in Lakhs)	
SOURCES OF FUNDS					
Shareholders' Funds					
Capital	1	1,207.04		1,207.04	
Reserves & Surplus	2	9,165.08		8,335.25	
Deferred Tax Liability	3	717.87	11,089.99	727.53	10,269.82
Loan Funds					
Secured Loans	4	11,434.45		11,135.45	
Unsecured Loans	5	--		--	
		-----	11,434.45	-----	11,135.45
			-----		-----
			22,524.44		21,405.27
			-----		-----
APPLICATION OF FUNDS					
Fixed Assets	6				
Gross Block		26,860.81		24,081.45	
Less: Depreciation		13,865.53	12,995.28	12,805.84	11,275.61
Capital Work-in-Progress		-----	2,198.49	-----	2,510.83
Investments	7		11.02		11.02
Current Assets	8				
Inventories		3,054.17		4,068.28	
Sundry Debtors		2,893.50		1,670.09	
Cash & Bank Balances		609.25		87.96	
Loans and Advances					
i) To Claims receivable		1,317.29		1,812.07	
ii) To Others	9	1,131.27		999.95	
		-----		-----	
			9,005.48		8,638.35
Less: Current Liabilities & Provisions					
Liabilities	10	1,333.83		526.81	
Provisions	11	352.00		503.73	
		-----		-----	
			1,685.83		7,607.81
			-----		-----
			7,319.65		1,030.54
			-----		-----
			22,524.44		21,405.27
			-----		-----

In terms of our Report of even date
For **G. RAMESH KUMAR & CO.**
Chartered Accountants

G. RAMESH KUMAR
Partner

Place : Kodaikanal
Date : 23-05-2010

V. NARAYANAN
Chairman

N. SRINIVASAN
Director

V. VAIDYANATHAN
Director

VIDYASHANKAR KRISHNAN
Managing Director

J. SUMATHI
Company Secretary



M M FORGINGS LIMITED

CONSOLIDATED P & L A/C FOR THE YEAR ENDED 31st MARCH 2010

	Sch.	F.Y.E. 31.03.2010 Rs. in lakhs	F.Y.E. 31.03.2009 Rs. in lakhs
INCOME			
Sales	12	15,843.96	20,680.95
Other Income	13	712.62	756.00
		<u>16,556.58</u>	<u>21,436.95</u>
EXPENDITURE			
Raw Materials consumed	14	6,943.21	9,763.69
Outside Labour, Service & Hire Charges		182.83	181.17
Tools consumed		291.60	403.29
Stores consumed		284.85	330.26
Power and Fuel		1,746.32	2,277.64
Personnel costs	15	1,698.64	1,842.54
Repairs and Maintenance	16	408.01	568.67
Interest		616.11	876.58
Selling expenses	17	174.92	241.03
Export expenses	18	926.55	1,118.03
Other expenses	19	489.89	610.34
Depreciation		1,160.44	1,638.75
(Increase)/decrease in stock of finished goods / Work-in-Process	20	451.00	170.52
		<u>15,374.37</u>	<u>20,022.51</u>
Profit for the year		1,182.21	1,414.44
Excess/(short) provision of IT of earlier years		(20.21)	(49.00)
Investment written off		-	-
Profit Before Tax		1,162.00	1,365.44
Provision for taxation		130.00	275.00
Fringe Benefit Tax		-	-
Deferred Tax Asset / (Liability)		9.66	(73.73)
Profit After Tax		1,041.66	1,016.71
Profit brought forward		218.14	213.26
Profit Available for Appropriation		1,259.80	1,229.97
Transfer to General Reserve		1,000.00	800.00
Proposed Dividend		181.06	181.06
Provision for dividend tax		30.77	30.77
Balance carried to Balance Sheet		47.97	218.14

In terms of our Report of even date
For **G. RAMESH KUMAR & CO.**
Chartered Accountants

G. RAMESH KUMAR
Partner

Place : Kodaikanal
Date : 23-05-2010

V. NARAYANAN
Chairman

N. SRINIVASAN
Director

V. VAIDYANATHAN
Director

VIDYASHANKAR KRISHNAN
Managing Director

J. SUMATHI
Company Secretary



M M FORGINGS LIMITED

CONSOLIDATED SCHEDULES TO BALANCE SHEET

	As at 31.03.2010 (Rs. in Lakhs)	As at 31.03.2009 (Rs. in Lakhs)
SCHEDULE 1		
SHARE CAPITAL		
Authorised	1,524.00	1,524.00
Issued	623.76	623.76
	-----	-----
Subscribed and Fully paid-up	1,207.04	603.52
Issue of Bonus Shares	-	603.52
	-----	-----
	1,207.04	1,207.04
	-----	-----
SCHEDULE 2		
RESERVES AND SURPLUS		
General Reserve		
As per last Balance Sheet	7,808.06	7,611.58
Add: Transfer during the year	1,000.00	800.00
	-----	-----
	8,808.06	-----
Less: Reserves trfd by issue of bonus shares	--	(603.52)
	-----	-----
Share Premium Account	305.00	305.00
Central Investment Subsidy	9.05	9.05
Surplus Balance in Profit & Loss Account	42.97	213.14
	-----	-----
	9,165.08	8,335.25
	-----	-----
SCHEDULE 3		
DEFERRED TAX LIABILITY		
As per Last Balance Sheet	727.53	653.80
For the current year	(9.66)	73.73
	-----	-----
	717.87	727.53
	-----	-----
SCHEDULE 4		
SECURED LOANS		
From Banks	4,314.15	3,343.93
Term Loans	7,120.30	7,791.52
	-----	-----
	11,434.45	11,135.45
	-----	-----
SCHEDULE 5		
UNSECURED LOANS		
	-----	-----
	--	--
	-----	-----

SCHEDULE 6**FIXED ASSETS**

(Rs.. in Lakhs)

Sl. No.	Fixed Assetsd	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as at 31.3.09	additions during the year	Deductions during the year	Cost as at 31.3.2010	Written upto off 31.3.09	For the year Depre- ciation	Deductions during the year	Written off upto 31.3.10	As at 31.3.10	As at 31.3.09
1.	Land	1,567.71	31.90	-	1,599.61	-	-	-	-	1,599.61	1,567.71
2.	Buildings	2,560.66	228.27	-	2,788.93	502.57	83.93	-	586.50	2,202.43	2,058.09
3.	Plant & Machinery	18,169.14	2,570.64	91.80	20,647.98	11,324.95	908.38	76.34	12,156.99	8,490.99	6,844.19
4.	Electrification	719.13	-	-	719.13	430.19	37.90	-	468.09	251.04	288.94
5.	Furniture & Fittings	107.83	0.59	-	108.42	43.13	10.57	-	53.70	54.72	64.70
6.	Office Equipment	154.48	4.75	-	159.23	51.12	7.36	-	58.48	100.75	103.36
7.	Office Vehicles	239.20	12.09	24.42	226.87	99.42	21.58	24.42	96.58	130.29	139.78
8.	Computers	563.30	47.34	-	610.64	354.46	90.72	-	445.18	165.46	208.84
	TOTAL	24081.45	2895.58	116.22	26860.81	12805.84	1160.44	100.76	13865.52	12995.29	11275.61





M M FORGINGS LIMITED

CONSOLIDATED SCHEDULES TO BALANCE SHEET (Contd...)

	As at 31.03.2010 (Rs. in Lakhs)		As at 31.03.2009 (Rs. in Lakhs)	
SCHEDULE 7				
INVESTMENTS AT COST				
Investments (Non-Trade)				
1. 10,720 Equity Shares of Rs.10 each of The Industrial Development Bank of India including bonus shares of 4,020 received during FY 02 (Quoted)		8.71		8.71
2. 385 Equity Shares of Rs.100 each of State Bank of Travancore (Quoted)		2.31		2.31
		-----		-----
		11.02		11.02
		-----		-----
Aggregate value of Quoted Investments	Cost	11.02	Cost	11.02
	Market Value	14.73	Market Value	5.68
Aggregate value of Unquoted Investments	Cost	-	Cost	-
SCHEDULE 8				
CURRENT ASSETS				
Inventories				
Tools		144.37		175.03
Consumable Stores		112.87		113.43
Stock of Machinery Spares at Cost		256.19		276.81
Stock-in-trade at lower of cost or market price				
Stock of Raw Materials at cost		1,121.02		1,632.29
Stock of Finished Goods / Work-in-process		1,419.72		1,870.72
		-----		-----
		3,054.17		4,068.28
		-----		-----
Sundry Debtors-Unsecured, Considered Good				
Outstanding for more than six months		31.51		44.44
Other Debts		2,861.99		1,625.65
		-----		-----
		2,893.50		1,670.09
		-----		-----
Cash and Bank Balances				
Cash with Scheduled Banks in Fixed Deposits		569.56		71.60
Cash with Scheduled Banks in Current Accounts		39.69		16.36
		-----		-----
		609.25		87.96
		-----		-----



M M FORGINGS LIMITED

CONSOLIDATED SCHEDULES TO BALANCE SHEET (Contd...)

	As at 31.03.2010 (Rs. in Lakhs)	As at 31.03.2009 (Rs. in Lakhs)
SCHEDULE 9		
LOANS AND ADVANCES		
Others		
Advances and Deposits receivable in cash or kind, unsecured, considered good		
Advance for expenses	397.81	22.93
Other Advances	0.19	0.13
Advances to Staff	96.13	90.83
Sundry Deposits	179.30	217.30
Advance Tax	221.39	376.63
Call Money Fund	236.45	292.13
	-----	-----
	1,131.27	999.95
	-----	-----
SCHEDULE 10		
CURRENT LIABILITIES		
Sundry Creditors	1,333.83	526.81
	-----	-----
	1,333.83	526.81
	-----	-----
SCHEDULE 11		
PROVISIONS		
Proposed Dividends	181.06	181.06
Tax on dividend proposed	30.77	30.77
Income Tax Due	130.00	275.00
Fringe Benefit Tax Due	-	5.00
Unclaimed Dividend	10.17	11.90
	-----	-----
	352.00	503.73
	-----	-----

CONSOLIDATED SCHEDULES TO PROFIT AND LOSS ACCOUNT

SCHEDULE 12		
SALES		
a. Domestic Sales	5,426.22	7,413.07
b. Export Sales	10,417.74	13,267.88
	-----	-----
	15,843.96	20,680.95
	-----	-----



M M FORGINGS LIMITED

CONSOLIDATED SCHEDULES TO PROFIT AND LOSS ACCOUNT (Contd....)

	As at 31.03.2010 (Rs. in Lakhs)	As at 31.03.2009 (Rs. in Lakhs)
SCHEDULE 13		
OTHER INCOME		
a. Interest / Dividend Received	114.10	82.30
b. Others	0.05	0.63
c. Power Generated	598.47	673.07
	712.62	756.00
SCHEDULE 14		
RAW MATERIALS CONSUMED		
Opening Stock	1,632.29	1,815.96
Purchases	6,431.94	9,580.02
	8,064.23	11,395.98
Less : Closing Stock	1,121.02	1,632.29
Sales	-	-
	6,943.21	9,763.69
SCHEDULE 15		
PERSONNEL COSTS		
Salaries, Wages, Allowances & Bonus	1,294.44	1,415.99
Company's contribution to Provident Fund, etc.	79.25	60.82
Co's contribution to Employees State Insurance	19.22	22.38
Co's contribution to Employees linked Insurance Fund	2.43	2.82
Co's contribution to Tamilnadu Labour Welfare Fund	0.08	0.05
Staff Welfare & Medical Expenses	141.79	148.05
Staff Gratuity	15.24	16.62
Director's remuneration	146.19	175.81
	1,698.64	1,842.54
SCHEDULE 16		
REPAIRS AND MAINTENANCE		
Buildings	14.07	30.96
Machinery	393.94	537.71
	408.01	568.67
SCHEDULE 17		
SELLING EXPENSES		
Advertisement	3.96	3.19
Sales Promotion Expenses	2.16	6.37
Freight Charges (Net)	161.36	224.23
Excise Duty	0.05	0.09
Packing and Forwarding	7.39	7.15
	174.92	241.03



M M FORGINGS LIMITED

CONSOLIDATED SCHEDULES TO PROFIT AND LOSS ACCOUNT (Contd....)

	As at 31.03.2010 (Rs. in Lakhs)	As at 31.03.2009 (Rs. in Lakhs)
SCHEDULE 18		
EXPORT EXPENSES		
Packing and Forwarding	146.49	154.28
Insurance	36.16	55.82
Freight Charges	471.59	389.87
Machining Charges	0.15	8.65
Commission	161.61	385.36
Warehousing and other charges incurred overseas	110.09	123.63
Others	0.46	0.42
	-----	-----
	926.55	1,118.03
	-----	-----
SCHEDULE 19		
OTHER EXPENSES		
Rent	15.41	9.25
Rates and Taxes	36.44	32.21
Printing & Stationery	23.66	37.94
Postage & Telegrams	2.66	3.54
Telephones	14.77	17.19
Legal charges	3.65	3.46
Audit Fees	7.77	6.18
Directors' Sitting Fees	0.64	0.84
Insurance Premium	51.62	51.94
Subscription	4.18	4.20
Travelling Expenses	118.98	187.08
Material Movement	81.26	109.40
Vehicle Maintenance	39.98	42.69
Bank charges and commission	18.96	23.63
General charges	2.19	2.52
Consultancy charges	14.75	20.02
Security charges	28.37	36.11
Share Registry Expenses	0.67	1.38
Donations	23.93	20.76
	-----	-----
	489.89	610.34
	-----	-----
SCHEDULE 20		
INCREASE/DECREASE IN STOCK		
Stock of Finished Goods / Work-in-Process at the beginning of the year	1,870.72	2,041.24
Stock of Finished Goods / Work-in-Process at the end of the year	1,419.72	1,870.72
	-----	-----
	451.00	170.52
	-----	-----



M M FORGINGS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2010

	As at 31.03.2010 (Rs. in Lakhs)	As at 31.03.2009 (Rs. in Lakhs)
A Cash Flow From Operating Activities		
Net Profit before Tax and Extra Ordinary Items	1,182.23	1,414.44
Adjustments for :		
Depreciation	1,160.44	1,638.75
Profit on Sale of Assets	(69.69)	-
Interest / Dividend received	(44.41)	(82.70)
Interest	616.11	876.58
Operating Profit before Working Capital Changes	2,844.68	3,847.07
Adjustments for :		
Decrease/(Increase) Trade and Other Receivables	(1,070.90)	(382.32)
Decrease/(Increase) Inventories	1,014.11	192.30
Increase/(Decrease) Trade Payables	807.03	(866.37)
Decrease/(Increase) Call Money Fund	55.68	1,174.70
Cash Generated from Operations	3,650.60	3,965.38
Interest Paid	(616.11)	(876.58)
Direct Taxes Paid for last year	(20.21)	(47.00)
Direct Taxes Paid include advance tax for current year	(124.76)	(373.12)
Dividend Paid	(182.79)	(301.76)
Tax on Dividend	(30.77)	(51.28)
Net Cash from Operating Activities (A)	2,675.96	2,315.64
B Cash Flow From Investing Activities		
Purchase of Fixed Assets	(2,583.22)	(3,169.31)
Interest/Dividend	44.41	82.70
Sale of Fixed Assets	85.15	-
Increase/Decrease in Short Term Loans	970.21	(1,013.85)
Net Cash from Investing Activities (B)	(1,483.45)	(4,100.46)
C Cash Flow From Financial Activities		
Increase/Decrease in Term Loan	(671.22)	1,776.25
Net Cash from financing Activities (C)	(671.22)	1,776.25
D Net Increase in Cash / Cash Equivalents (A+B+C)	521.29	(8.57)
Cash and Cash Equivalents - (Opening Balance)	87.96	96.53
Cash and Cash Equivalents - (Closing Balance)	609.25	87.96
Increase/(Decrease)	521.29	(8.57)

In terms of our Report of even date
For **G. RAMESH KUMAR & CO.**
Chartered Accountants

G. RAMESH KUMAR
Partner

Place : Kodaikanal
Date : 23-05-2010

V. NARAYANAN
Chairman

N. SRINIVASAN
Director

V. VAIDYANATHAN
Director

VIDYASHANKAR KRISHNAN
Managing Director

J. SUMATHI
Company Secretary



M M FORGINGS LIMITED

Regd. Office : 95, Anna Salai, Chennai - 600 032.

**64th Annual Report
and
Accounts for the year ended 31.03.2010**

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