

Board of Directors

Chairman

Shri V. Narayanan

Directors

Shri. N. Srinivasan,
Shri V. Vaidyanathan

Managing Director

Shri. Vidyashankar Krishnan

Jt. Managing Director

Shri. K. Venkatramanan

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
PhoneNo. 0431 2432931 / 2433140

Registered Office

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

Factories

Singampunari – 630 502, Tamil Nadu

Viralimalai – 621 316, Tamil Nadu

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

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

Windfarm

Panakudi, Nagercoil

Bankers

State Bank of Travancore

556, Mount Road , Teynampet, Chennai – 600 018

Citibank N.A

163, Anna Salai, Chennai - 600002

DBS Bank

806, Anna Salai, Chennai - 600002

State Bank of India

IFB,155, Anna Salai, Chennai – 600 002

Share Transfer Agents

Cameo Corporate Services Limited

‘Subramanian Building’, Fifth Floor
No. 1, Club House Road, Chennai – 600 002
Phone : 044 - 28460390—94

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Notice To Shareholders

Notice is hereby given that the 65th Annual General Meeting of the shareholders of M M Forgings Limited will be held at Narada Gana Sabha (Mini Hall) 314, T.T.K.Road, Chennai - 600018 at 12.05 hrs. on Friday, 12 August 2011 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 2011 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. Vaidyanathan who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in the place of Shri K. Venkatramanan 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.”

Place : Chennai
Date : 22 April 2011

By Order of the Board
J.Sumathi
Company Secretary

NOTES

1. As there is no special business, Explanatory statement is not 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 books will remain closed from Wednesday, 10 August 2011 to Friday, 12 August 2011 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 2002-03 of ₹ 88,436/- to the credit of Investor Education and Protection Fund established by the Central Government on 05 October 2010.

Item No. 3 and 4

9. Reappointment of Director retiring by rotation:

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

Shri. V. Vaidyanathan is liable to retire by rotation at the 65th Annual General Meeting and being eligible has offered himself for reappointment. He is a Director of this company since 1979 and has taken active part in all activities including expansion and implementation of all projects started by the company.

9.2 Reappointment of Shri. K. Venkatramanan, retiring by rotation:

Shri. K. Venkatramanan is liable to retire by rotation at the 65th Annual General Meeting and being eligible has offered himself for reappointment. He has been in the Board of M M Forgings Ltd since 1997.



HIGHLIGHTS OF PERFORMANCE

(₹ in lakhs)

DESCRIPTION/YEAR	FY2	FY3	FY4	FY5	FY6	FY7	FY8	FY9	FY10	FY11
INCOME										
Sales - Exports	5753	5760	6710	9680	9565	10581	11255	13268	10418	18294
- Domestic	1964	2556	3676	6191	6931	7065	7840	7413	5426	8295
- Total	7717	8316	10387	15871	16496	17646	19095	20681	15844	26589
Other Operating Income	0	93	240	392	410	482	523	673	598	623
Other Income	1	1	1	1	18	83	73	83	114	986
TOTAL INCOME	7718	8409	10628	16264	16924	18211	19691	21437	16557	28198
Operating Profit	1696	1854	2072	3111	3338	3939	4294	3892	2939	6320
Profit After Tax	605	610	736	1183	1210	1408	1479	1023	1042	2973
Reserves & Surplus	3318	3839	4388	4844	5818	7014	8140	8347	9177	11722
Dividend including tax paid	136	133	154	205	205	212	353	212	212	422
Dividend	45%	40%	45%	30%	30%	30%	50%	15%	15%	30%
Share Capital	301.76	301.76	301.76	603.52	603.52	603.52	603.52	1207.04	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	24.63
Bonus Share				1 : 1				1 : 1		
Return on Capital Employed	37.0%	33.6%	30.6%	30.4%	26.5%	29.0%	24.2%	20.4%	14.0%	20.2%
Return on Net Worth	15.2%	13.7%	14.6%	19.7%	17.3%	16.7%	16.8%	10.7%	9.3%	22.4%
Dividend as a % to PAT	22.4%	21.8%	20.9%	17.3%	16.9%	15.0%	23.9%	20.7%	20.3%	14.2%
Working Capital	862	1463	770	1274	2562	2612	3638	3344	4314	7345
W C as a % to sales	11.2%	17.4%	7.2%	7.8%	15.1%	14.3%	18.5%	15.6%	26.1%	26.0%
Current Ratio	1.6	1.2	1.6	1.7	1.6	1.3	1.5	2.0	1.5	1.5
TOL / NW	0.5	0.6	0.7	1.3	1.2	1.0	1.4	1.3	1.3	1.2
Debt / Equity	0.1	0.0	0.2	0.6	0.6	0.4	0.7	0.8	0.7	0.4

Directors' Report

1. RESULTS FOR THE YEAR ENDED 31 MARCH 2011

Total sales has increased by 68% over the previous year. Profit After Tax also increased by 195%.

					2010-11	2009-10	(₹ in Lakhs) %
a.	Forging Sales	..	..	..	26,589.18	15,843.96	68%
b.	Profit after tax	..	..	..	3,075.17	1,041.66	195%

2. DIVIDEND AND FINANCIAL RESULTS:

					2010-11	2009-10	(₹ in Lakhs) %
a.	Profit before Tax	..	..	..	3,775.17	1,162.00	
b.	Provision for taxation	..	..	..	700.00	130.00	
c.	Profit After Tax	..	..	..	3,075.17	1,032.00	
d.	Deferred Tax Asset / (Liability)	..	..	..	(104.08)	9.66	
e.	Balance in Profit & Loss Account previous year	..			64.06	234.22	
f.	Profit available for appropriation	..	..	..	3,035.15	1,275.88	
g.	Transfer to General Reserve	..	..	..	2,000.00	1,000.00	
h.	Interim Dividend including Dividend Tax	..	..		422.25	211.83	
i.	Balance carried to Balance Sheet	..	..	..	612.90	64.05	

The Directors have decided to pay an interim dividend of ₹3 per share of face value of ₹10 each. The interim dividend will absorb an amount of ₹ 422.25 lakhs. The directors do not recommend any final dividend.

3. MANAGEMENT DISCUSSION AND ANALYSIS

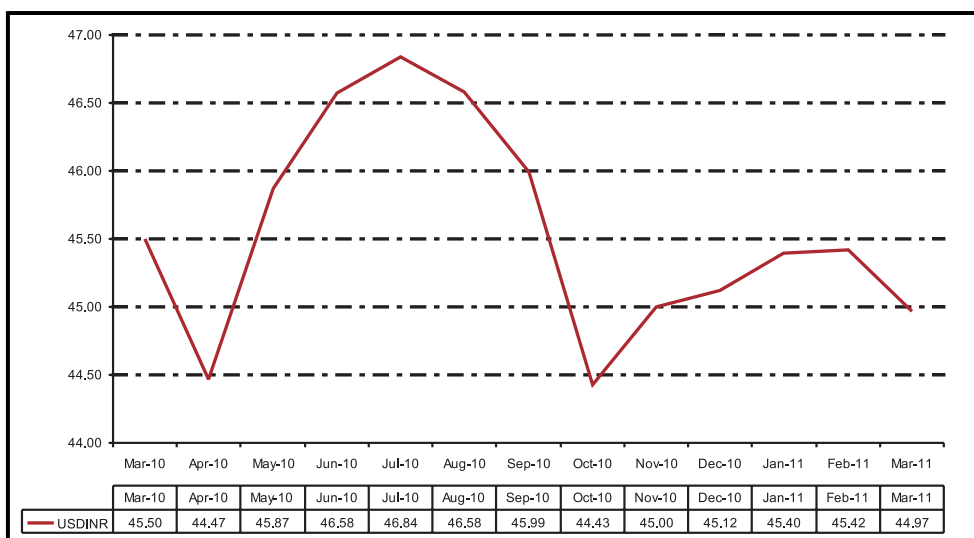
GLOBAL SCENE

1. The fiscal stimuli by large economies, both developed and developing, infused confidence in markets globally. Risk perceptions diminished considerably.
2. This period saw firming up of equity, commodity and even real estate prices, 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 – Here, there is a clear schizophrenic pattern. Core Europe comprising France, Germany and Italy fared far better than peripheral Europe, especially countries bordering the Mediterranean Sea.
5. Manufacturing picked up all over Europe, with the truck markets doing considerably well. The financial health of Portugal, Ireland, Greece, Spain and Hungary continues to be precarious, with various solution providers touting differing solutions. Sovereign debt repayment commitments continue to be a Damocles sword above these nations.
6. China – Manufacturing perked up here too. However, with property prices continuing to heat up, inflation reared its ugly head. The rise in global commodity prices added to the concerns on inflation.
7. Asia – The Far East continued its rebound and Japan continued with its stagnation. The earthquake and its consequent impact on nuclear reactors had an impact on the manufacturing activities in the region, with the supply chain of many global and local companies severely impacted.
8. Commodities – Continued to strengthen with little relief. The persistent expectation of slow-down in demand kept commodity prices in check.
9. Overall, Global output is expected to have grown by approximately 2% to 3% per various economic think tanks and reached an all time high.

INDIA

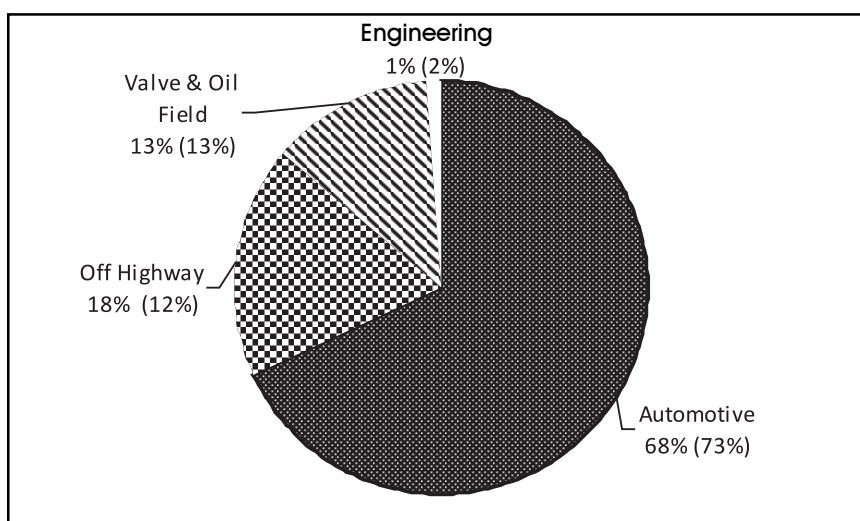
10. The Indian economy is expected to have grown by around 8.5% in FY11 as compared to about 6.5% in FY10. This growth is impressive by global standards. Most of the developed world was content with marginal growth in this period.

11. During FY11 the automotive industry posted growth rates of approximately 20% in the car segment and 33% in the CV segment.
12. Steel prices have increased by about 30% compared to the lows of the previous year.
13. The INR has largely remained range bound, against the US Dollar, as per graph below.



M M FORGINGS – capitalising on favourable winds

14. The following were important developments witnessed during the year :
 - ❖ The return of global manufacturing meant a sharp increase in demand right through the year. Customers are currently buying close to the highs seen in FY9.
 - ❖ Adding to the volume of existing parts, were the new parts which were developed in the last 2 years.
 - ❖ This year too, 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 due to power and manpower.
 - ❖ Changes in steel prices which are in line with international markets are being passed on to customers as is the industry practice.
 - ❖ We are furiously de-bottlenecking and focusing on capacity utilization, to take advantage of the production capacities created in the last 2 years.
15. Sales increased by 68%. As highlighted in the Directors' Report, Return On Net Worth is 22% and Return On Capital Employed is 20%. Current Ratio is 1.47. The total outside liabilities to net worth stands at 1.19. Debt Equity Ratio is 0.43.
16. The details of segment-wise sales distribution are provided below:



Note : FY10 figures provided in brackets for comparison

Human Resources and Industrial Relations

15. Your company continues to focus on the development of its human resources to improve its performance. The company currently has approximately 1099 employees. It is their invaluable contribution that has primarily resulted in your company's position of strength in the industry.
16. Focus on a safe working atmosphere, constantly evolving systems for recognition and reward, consistent communication and imparting skills and training – all these focused on meeting customer needs, characterise the HR development of the Company.
17. Every year, each plant of the Company celebrates 'Founder's Day' in a family atmosphere with all employees and their domestic household members.

Health, Safety and Environment

18. The Company follows a policy of zero tolerance towards accidents. Wherever possible, visible controls and fail-safe systems are provided to ensure prevention of accidents. Regular communication, training and period reviews of practices play a vital role in maintaining safety standards.
19. The Company ensures compliance with all pollution control regulations. Adequate pollution control equipments have been installed to treat effluents and to control air pollution.

Risk Management

20. The Company is a leading manufacturer of automotive components. Automotive industry is subjected to cyclical variations in performance and is very sensitive to policy changes. The market is very competitive. Prices of raw materials change based on supply and demand. Margins remain under constant pressure. Any steep reduction in off-take exposes the Company to high fixed costs.
21. A considerable portion of the customers of the Company are situated outside of India. Hence, demand for the Company's product is subject to the global economy which, currently, is on a much weaker wicket than the Indian economy.
22. The Company has spread its risks by increasing the geographic spread of its customer base. The Company proposes to improve capacity utilization in its existing facilities. Working capital management will receive high priority.

MM FORGINGS – forging ahead

23. Our goals in the coming months:
 - ❖ Focus on improving sales in keeping with market conditions.
 - ❖ Utilise the production capacity which has been created in the last 2 years.
 - ❖ 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.
 - ❖ Reduce the impact on the environment.
4. **DIRECTORS:**

Shri V. Vaidyanathan, Director retires by rotation and being eligible, offers, himself for reappointment.

Shri. K.Venkatramanan, Joint Managing Director retires by rotation and being eligible, offers, himself for reappointment.
5. **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 -

 - 5.1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
 - 5.2. 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;



5.3. 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;

5.4. The directors had prepared the annual accounts on a going concern basis.

6. CORPORATE GOVERNANCE:

The guidelines evolved by SEBI were applicable to the company from the previous financial year. The company is committed to ethical management and excellence in performance. Details are provided in Annexure 3.

7. AUDITORS:

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

8. OPERATIONS:

A. Sales:

The company continues to be one of the largest exporters of steel forgings in India and has received 21 consecutive annual awards from the Engineering Export Promotion Council. Export sales of the Company were ₹182.94 crores and account for 69% of total sales.

B. Foreign Exchange Earnings :

The company is a net foreign exchange earner. During the current year, the company's net foreign exchange earnings were ₹144.51 Crores.

C. Quality :

The company has retained its ISO TS 16949 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 ₹15.43 crores.
2. Production capacity has increased from 38,000 MT to 40,000 MT.
3. Machining capacity has been substantially increased in line with changing customer demand.

9. SUBSIDIARY COMPANY:

Srivatsa Electric & Electronic Limited - The final order pertaining to amalgamation petition is pending in High Court .

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

11. 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

12. ACKNOWLEDGEMENT:

Your Directors would like to express their gratitude for the cooperation and continued assistance received from **Citibank N.A., DBS Bank, 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 : Chennai

For and On behalf of the Board

Date : 22 April 2011

V. Narayanan
Chairman

Annexure I – to the Directors' Report:

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 2011

(A) Conservation of energy:

1. Energy conservation methods undertaken: Conservation of energy is a continuous process. We have spent around ₹ 15 lakhs for improvement in two of our billet heating furnaces at our Singampunari Plant due to which we have saved approximately ₹ 1.00 lakh per month.

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

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

1	ELECTRICITY			
	a. Purchased:			
	Units	2,06,24,439	1,75,74,057	
	Total Amount. (₹)	16,94,01,065	9,23,32,193	
	Rate / Unit (₹)	8.21	5.25	
	b. Own Generation:			
	Units	56,17,607	17,37,462	
	Units per ltr.	2.81	2.85	
	Cost / Unit (₹)	12.93	11.05	
2	FUEL OIL			
	Quantity (in ltrs)	36,80,218	26,01,733	
	Total amount (₹)	17,42,57,499	8,22,99,548	
	Average Rate (₹/ltr.)	47.35	31.63	
3	CONSUMPTION PER UNIT OF PRODUCTION			
	a. Electricity	Units	931	1104
	b. Fuel Oil	Litres	131	149

Note: No standards are available for comparison.

(B) Technology Absorption:

Research and Development (R & D)

Specific areas in which R & D are carried out by the company:

1. 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 ₹ 50 lakhs though indirectly.

Technology Absorption, adaptation and innovation:

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:
 - a. Continuous efforts are made on conservation of raw material by improving design and layout of dies.



- b. The Company has upgraded its Quality Management Systems to TS 16949.
2. Benefits derived as a result of the above efforts:
 - a. Reduction in raw material consumption.
 - b. With the accreditation to TS 16949 many new export customers are being developed.
3. Technology imported during the last 5 years: Nil

(C) Foreign exchange earnings and outgo

- | | | |
|---|---|--|
| 1 | Activities relating | Exports at ₹ 17788.24 lakhs form a significant part of the company's turnover (₹ 9987.84 in 2009-10) |
| 2 | Initiatives taken to increase development of new export markets for products and services and export plan | <ol style="list-style-type: none">a. Vigorous efforts are taken by marketing department to locate new multinational customers in addition to the existing multinationals.b. The Company has been consistently retaining the TS 16949 certification for its Quality Management system. |
| 3 | Total Foreign Exchange | <ol style="list-style-type: none">a. Earned: ₹ 1,77,88,24,059 (₹ 99,87,84,260 in 2009-10)b. Used: ₹ 33,36,92,784 (₹ 3,88,14,810 in 2009-10) |

Place : Chennai

Date : 22 April 2011

For and On behalf of the Board

V. Narayanan
Chairman



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 31.03.2011)

Sl. No	Name	Designation	Remuneration ₹	Qualification	Experience (years)	Date of Joining	Age	Last Employment	% of shares held in the Company
a)	Employed throughout the year and were in receipt of remuneration at a rate of not less than ₹ 24,00,000 per annum								
1	Shri Vidyashankar Krishnan Din : 00081441	Managing Director	16155568.50	B.E.,M.S.	21	25.06.1990	45	— Nil —	11.27%
2	Shri. K.Venkatramanan Din : 03032114	Jt. Managing Director	15793773.70	B.E.	19	24.01.1992	41	— Nil —	10.71%
b)	Employed for a part of the year and were in receipt of remuneration at a rate of not less than ₹ 2,00,000 per month.								
— Nil —									

Note:

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

For and on behalf of the Board

Place : Chennai
Date : 22.04.2011

V. Narayanan
Chairman

Annexure III – To The Directors’ Report:

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges)

1. Company’s Philosophy On Code of Governance:

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 2011 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	Last AGM attendance (Yes / No)
Shri V. Narayanan	5	5	Yes
Shri V. Vaidyanathan	5	5	Yes
Shri N. Srinivasan	5	2	No
Shri Vidyashankar Krishnan	5	5	Yes
Shri K. Venkatramanan	5	2	Yes

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

Five Board Meetings were held during the year- 23 May 2010, 27 July 2010, 27 August 2010, 18 October 2010 and 18 January 2011.

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.
- 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 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, 2011. A certificate from Shri Vidyashankar Krishnan, Managing Director to this effect is annexed. The said Code is also posted on the website of the Company 'www.mmforgings.com'

2.7 Prevention of Insider Trading:

The Company has framed a code of Conduct for Prevention on trading based on SEBI (Insider Trading) Regulations 1992. This Code is applicable to all Board Members / Officers / designated employees. This Code ensures the prevention of dealing in shares by persons having access to unpublished price sensitive information.

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:
23 May 2010, 27 July 2010, 18 October 2010 and 18 January 2011.

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 Director were invited for all the meetings and were requested to provide necessary information to the Committee.

4. Directors' Remuneration:

4.1 Remuneration of Directors:

4.1.1 Remuneration of Managing Director and Joint Managing Director

Name	Salary (₹)	Benefits (₹)	Commission(₹)	Total (₹)
Shri Vidyashankar Krishnan	69,21,000	13,81,618	78,52,951	1,61,55,568
Shri K. Venkatramanan	65,76,000	13,64,823	78,52,951	1,57,93,773

4.1.2 Remuneration of non – executive directors:

Name	Sitting fees (₹)		Commission(₹)	Total(₹)
	Board	Committee		
Shri V. Narayanan	25000	4000	3,25,000	3,54,000
Shri V. Vaidyanathan	25000	8000	1,60,000	1,93,000
Shri N. Srinivasan	10000	2000	1,60,000	1,72,000

5. **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.

6. **Investors Grievance Committee:**

6.1 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.

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

23 May 2010, 27 July 2010, 18 October 2010 and 18 January 2011.

6.2 Non – Executive Chairman – Shri V. Vaidyanathan

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

6.3 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	2

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

6.5 No of Shareholder complaints received during the year: 8

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

6.7 No. of Pending Complaints : 0

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

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

7. **Remuneration Committee:**

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

8. **Subsidiary Company:**

8.1 Winding up of SEEL: The matter is pending with High Court.

9. **General Meetings**

9.1 Location and time, where last three AGMs held:

Financial year	Date	Time	Location
2007-08	18 August 2008	3.30 P.M.	Music Academy, Chennai
2008-09	07 August 2009	2.30 P.M.	Music Academy, Chennai
2009-10	27August 2010	3.30 P.M.	Narada Gana Sabha, Chennai

9.2 Special Resolutions passed in the previous 3 AGMs:

9.2.1 Resolution passed in the AGM held on 18 August 2008

9.2.1.1 Delisting of equity shares in Madras Stock Exchange Limited



- 9.2.1.2 Issue of Bonus shares in the proportion of 1 : 1
- 9.2.2 Resolution passed in the AGM held on 27 August 2010
- 9.2.2.1 Renewal of sitting fees and commission for non executive directors for 5 years.

10. Disclosures:

- 10.1 There were no transactions of material nature with the Directors or the management 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.
- 10.2 Directors are considered to be interested to the extent of their shareholding in the Company and following is the status of their shareholding as on 31 March 2011.

Name	Category	No. of shares	% to total
V.Vaidyanathan	Non-Executive Director	6000	0.05
Vidyashankar Krishnan	Executive Director	1360120	11.27
K. Venkatramanan	Executive Director	1292480	10.71

- 10.3 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.

- 10.4 As Whistle Blower policy is not mandatory, this policy is not in force.

- 10.5 The company has complied with all the mandatory requirements under the Code of Corporate Governance.

- 10.6 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. Vaidyanathan and Shri K.Venkatramanan, Directors of the Company, shall retire and being eligible, offer themselves for reappointment.

Given below are the brief resume of the Directors:

Shri. V. Vaidyanathan as a Technocrat Executive, established a 100% EOU which has the largest manufacturing facility in the world for the production of computer chip packaging with Japanese collaboration. He is the Honorary Secretary and Treasurer of Medical Research Foundation for 29 years, which is running the famous Sankara Nethralaya for 31 years. He is a Director of this company since 1979 and has taken active part in all activities including expansion and implementation of all projects started by the company.

He was involved in the development of high capacity diesel engine components machining, such as crankshaft, camshaft, connecting rod, etc. in a very reputed diesel engine manufacturing company in the country. He has set up number of component manufacturing units for automobile plants in various parts of the country. These units were manufacturing automobile components ranging from small forgings and castings to large components such as, crankcase, oil sump, water pump, cylinder block, etc. He has wide experience in setting up facilities for heat treatment plants, windmill plants, captive generator plants, to name a few.

Mr. K. Venkatramanan has a Bachelor of Engineering degree. He has 17 years of experience. He joined the Board as an Additional Director of the Company on 21st April 1997. With effect from February 24, 1999 he became the Joint Managing Director in this Company. He has been responsible for the tremendous growth in the sales and profits of the company. His accomplishments include a 10 fold increase in export sales. He also serves on various committees in the Ministry of Finance and Ministry of Commerce.

11. Means of Communication

- 11.1 The quarterly, half yearly and annual results of the Company's performance are published in financial dailies viz., Business line and Makkal Kural



11.2 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

11.3 The financial results are displayed on the website of the Company, www.mmforgings.com.

12 General Shareholders Information

- | | | |
|--------|---|---|
| 12.1 | Date, time and venue of the Annual General Meeting | Annual General Meeting is proposed to be held on, Friday, 12 August 2011 at Narada Gana Sabha (Mini Hall)' 314, T.T.K.Road, Channai - 600018 at 12.05 hours |
| 12.2 | Financial year | 01 April 2010 to 31 March 2011 |
| 12.3 | Date of Book Closure | From Wednesday, 10 August 2011 to Friday, 12 August 2011 (both days inclusive) |
| 12. 4 | Record date | 04 May 2011 |
| 12.5 | Listing on Stock Exchanges | The shares of the Company are listed at: |
| 12.5.1 | | 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 |
| 12.5.2 | | National Stock Exchange of India Ltd'Exchange Plaza', Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051Annual Listing Fees has been paid as on date. |
| 12.6 | Stock Exchange Security Code | Physical :

Bombay Stock ExchangeScrip Code:522241 Name of the Scrip : MMFORG

National Stock ExchangeScrip Code: MMFL Name of the Scrip :MMFL - EQ |
| 12.6.1 | The ISIN No. of the Company's equity shares in Demat form | INE227C01017 |
| 12.6.2 | Depository Connectivity | National Securities Depository LimitedCentral depository services (India) Limited |
| 12.7 | Registrar and Transfer Agents | Cameo Corporate Services Limited, Unit: M M Forgings Limited, "Subramanian Building" Fifth Floor, No. 1, Club House Road, Chennai – 600 002They are the Common Agency for all Investor Servicing activities relating to both electronic and physical segments. |
| 12.8 | Share Transfer System | <ul style="list-style-type: none">• The Share Transfer Agent acknowledges and executes transfers of securities. The Share Transfer Committee approves the transfers etc.• They arrange for issue of dividend.• They 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.• Remat requests are processed within a period of 25 days from the date of receipt.• Demat requests are processed within a period of 10 days from the date of receipt.• The Company's Registrar and share Transfer Agents, Cameo Corporate Services Limited have adequate infrastructure to process the share transfers. |

12.9 Distribution of shareholding as on 31 March 2011

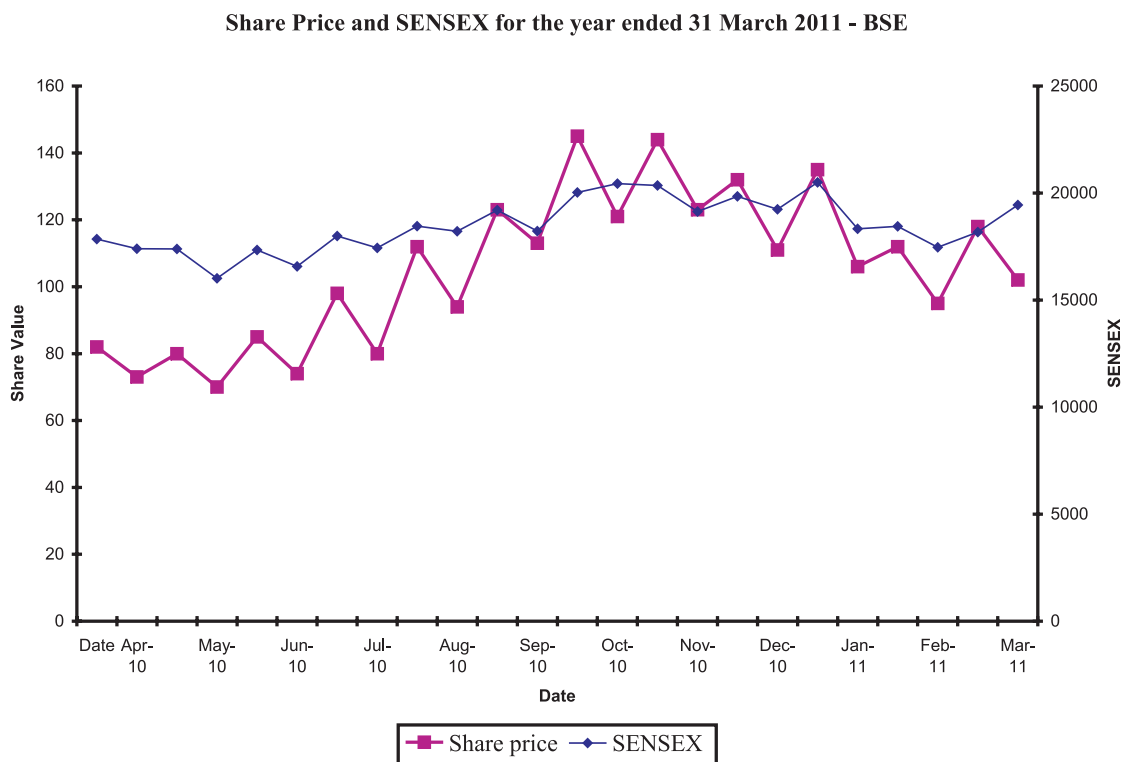
No. of equity shares held	No. of shareholders	% to total	No. of shares held	% of shareholding
1-500	4474	87.01	719645	5.96
501-1000	346	6.73	280703	2.33
1001-2000	153	2.98	245018	2.03
2001-3000	46	0.89	117754	0.98
3001-4000	21	0.41	78737	0.65
4001-5000	12	0.23	56723	0.47
5001-10000	30	0.58	218805	1.81
10000 & above	60	1.17	10353015	85.77
TOTAL	5142	100.00	12070400	100.00

12.10 Shareholding pattern as on 31 March 2011

Category	No. of Shareholders	% to total	No. of shares held	% of shareholding
Resident Indians	4784	93.03	2793673	22.70
NRIs	128	2.49	60078	0.50
Domestic Company	206	4.01	373206	3.09
Non-domestic Cos.	1	0.02	200	0
Financial Institutions / Banks	0	0	0	0
Mutual Funds	6	0.12	1650469	13.67
Promoters	17	0.33	7192774	60.04
Total	5142	100.00	12070400	100.00

12.11.1 Share Performance

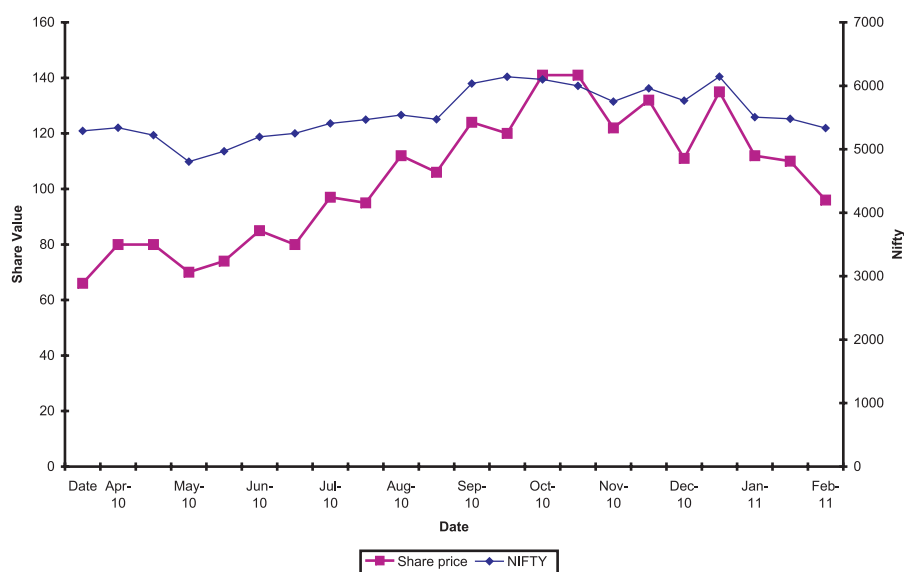
BSE Vs Index - Graph form



12.11.2 Share Performance

NSE Vs Nifty - Graph form

Share price and Nifty for the year ended 31 March 2011 - NSE



12.12	Share Price data – BSE		Share Price data – NSE	
Month	Bomba Stock Exchange		High (₹)	Low (₹)
	High (₹)	Low (₹)		
Apr-10	82	73	80	66
May-10	80	70	80	70
Jun-10	85	74	85	74
Jul-10	98	80	97	80
Aug-10	112	94	112	95
Sep-10	123	113	124	106
Oct-10	145	121	141	120
Nov-10	144	123	141	122
Dec-10	132	111	132	111
Jan-11	135	106	135	112
Feb-11	112	95	110	96
Mar-11	118	102	116	102

12.13 Details of public funding obtained in the last three years

No capital has been raised in the last three years by way of public issue.

12.14 Outstanding GDRs / ADRs / Warrants or any convertible instruments etc

As on 31 March 2011 the company has not issued these types of securities

12.15 Plant Location

1. Singampunari – 630 502
2. Viralimalai – 621 316
3. A 24 / 25 Thiru-vi-ka Industrial Estate, Guindy, Chennai
4. Karanaithangal Village, Mathur Post – 602105, Sriperumbudur Taluk, Kancheepuram District.
5. Wind farm at Panagudi village, near Muppandal in Tirunelveli Dist

12.16 Address for correspondence:

The Company's registered office is situated at No. 95, Anna Salai, Guindy, Chennai - 600 032.
Telephone No.:044- 22352153 Fax: 044-22352160
Email: mmforge@mmforgings.com

12.17 Compliance Officer

Ms. J. Sumathi, Company Secretary

12.18 Exclusive E-mail id for redress of Investor Complaints

sumathi@mmforgings.com

12.19 Website

www.mmforgings.com

Auditors Certificate on Corporate Governance

To The Members of M M Forgings Ltd

We have examined the compliance of conditions of Corporate Governance by M M Forgings Ltd for the year ended March 31, 2011, 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 : 22 April 2011

G.Ramesh Kumar
Partner
Membership No. 200 / 18663

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 : Chennai
Date : 22-April-2011

Vidyashankar Krishnan
Managing Director

Declaration to the Members pursuant to Clause 49 (1)(D)(ii) of the Listing Agreement

In accordance with Clause 49 1D (ii) 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 2011.

Place : Chennai
Date : 22-April-2011

For M M Forgings Limited
Vidyashankar Krishnan
Managing Director

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 2011 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 2011 and taken on record by the Directors, we report that none of the directors is disqualified as on 31st March 2011 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 2011 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.

For M/s. G. RAMESH KUMAR & CO.
Chartered Accountants

Place : Trichy
Date : 22 April 2011

G.Ramesh Kumar
Partner
Membership No. 200 / 18663

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. 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 ₹ 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 ₹ 5,00,000 or more in respect of each party.
6. The provision of sections 58A and 58AA of the Companies Act, 1956 are not applicable, as the Company has not accepted any deposit.
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 2011 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.

For M/s. G. RAMESH KUMAR & CO.
Chartered Accountants

Place : Trichy
Date : 22 April 2011

G.Ramesh Kumar
Partner
Membership No. 200 / 18663

**Balance Sheet as at 31st March, 2011**

(₹ in lakhs)

Schedule						As at 31-03-2011		As at 31-03-2010	
SOURCES OF FUNDS									
Shareholders' Funds									
Capital	..	..	..	1	1,207.04		1,207.04		
Reserves & Surplus	..	..	..	2	11,722.49		9,177.11		
Deferred Tax Liability	..	..	..	3	<u>812.51</u>	13,742.04	<u>708.43</u>		11,092.58
Loan Funds									
Secured Loans	..	..	..	4		<u>12,930.14</u>		<u>11,434.45</u>	
						<u>26,672.18</u>		<u>22,527.03</u>	
APPLICATION OF FUNDS									
Fixed Assets									
Gross Block	..	..	..	6	30,396.88		26,835.67		
Less: Depreciation	..	..	..		15,830.90	14,565.98	13,852.96		12,982.71
Capital Work-in-Progress	..	..				180.30			2,198.49
Investments	..	..	..	5		11.02			31.02
Current Assets	..	..	..	7					
Inventories	..	..	..		6,585.79		3,054.17		
Sundry Debtors	..	..	..		4,221.18		2,890.99		
Cash & Bank Balances	..	..	..		122.34		606.92		
Loans and Advances									
i) To Claims receivable	..	..	..		2,243.80		1,317.29		
ii) To Others	..	..	..	8	<u>1,158.13</u>		<u>1,131.27</u>		
					<u>14,331.24</u>		<u>9,000.64</u>		
Less: Current Liabilities & Provisions									
Liabilities	..	..	..	9	1,279.00		1,333.83		
Provisions	..	..	..	10	1,137.36		352.00		
					2,416.36	11,914.88	1,685.83		7,314.81
						<u>26,672.18</u>			<u>22,527.03</u>

In terms of our Report of even date

For G. Ramesh Kumar & Co.
Chartered Accountants

V.Narayanan
Chairman

Vidyashankar Krishnan
Managing Director

G.Ramesh Kumar
Partner
Membership no. 200 / 18663

N. Srinivasan
Director

Place : Chennai
Date : 22 April 2011

V.Vaidyanathan
Director

J.Sumathi
Company Secretary

Profit and Loss account for the year ended 31st March, 2011

(₹ in lakhs)

	Sch.	FYE 31-03-2011	FYE 31-03-2010
INCOME			
Sales	11	26589.18	15843.96
Other Operating Income	12	622.89	598.47
Other Income	13	985.88	114.15
		<u>28197.95</u>	<u>16556.58</u>
EXPENDITURE			
Raw Materials consumed	14	11307.92	6943.21
Outside Labour, Service & Hire Charges		421.89	182.83
Tools consumed		589.60	291.60
Stores consumed		594.22	284.85
Power and Fuel		3436.59	1746.32
Personnel costs	15	2978.56	1698.64
Repairs and Maintenance	16	1062.36	408.01
Interest		562.06	616.11
Selling expenses	17	323.37	174.92
Export expenses	18	1926.95	926.55
Other expenses	19	693.17	489.89
Depreciation		1980.85	1160.44
(Increase)/decrease in stock of finished goods / Work-in-Process	20	<u>(1485.31)</u>	<u>451.00</u>
		<u>24392.23</u>	<u>15374.37</u>
Profit for the year		3805.72	1182.21
Excess/(short) provision of IT of earlier years.. .. .		(28.91)	(20.21)
Profit Before Tax		3776.81	1162.00
Provision for taxation.. .. .		700.00	130.00
Deferred Tax Asset / (Liability).. .. .		(104.08)	9.66
Profit After Tax		2972.73	1041.66
Profit brought forward		64.05	234.22
Profit Available for Appropriation		3036.78	1275.88
Transfer to General Reserve		2000.00	1000.00
Proposed Dividend.. .. .		362.11	181.06
Provision for dividend tax		60.14	30.77
Balance carried to Balance Sheet		614.53	64.05

In terms of our Report of even date

For G. Ramesh Kumar & Co.
Chartered Accountants

V.Narayanan
Chairman

Vidyashankar Krishnan
Managing Director

G.Ramesh Kumar
Partner
Membership no. 200 / 18663

N. Srinivasan
Director

Place : Chennai
Date : 22 April 2011

V.Vaidyanathan
Director

J.Sumathi
Company Secretary

Schedules to Balance sheet

(₹ in lakhs)

As at 31-03-2011

As at 31-03-2010

1

SHARE CAPITAL

Authorised

1,50,00,000 Equity Shares of ₹10 each 1,500.00 1,500.00

Issued

1,20,72,800 Equity Shares of ₹10 each 1,207.28 1,207.28

Subscribed and Fully paid-up

1,20,70,400 Equity Shares of ₹10 each 1,207.04 1,207.04

2

RESERVES AND SURPLUS

General Reserve

As per last Balance Sheet 8,808.06 7,808.06

Add: Transfer during the year 2,000.00 1,000.00

10,808.06 8,808.06

Less: Loss of Subsidiary company merger (5.10) 10,802.96 - 8,808.06

Share Premium Account 305.00 305.00

Surplus Balance in Profit & Loss Account 614.53 64.05

11,722.49 9,177.11

3

DEFERRED TAX LIABILITY

As per Last Balance Sheet 708.43 718.09

For the current year 104.08 (9.66)

812.51 708.43

4

SECURED LOANS

From Banks

Secured by Stock of Raw Materials, 7,344.89 4,314.15

Consumable Stores & Tools 5,585.25 7,120.30

Term Loans

12,930.14 11,434.45

5

INVESTMENTS AT COST

Investments (Trade)

1. 20,000 Fully paid-up equity shares of ₹100 each in Srivatsa Electric & Electronic Ltd.

Face value ₹20,00,000 (Unquoted) - 20.00

Investments (Non-Trade)

2. 10,720 Equity Shares of ₹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 ₹100 each of State Bank of Travancore (Quoted) 2.31 2.31

11.02 31.02

Aggregate value of Quoted Investments Cost 11.02 Cost 11.02

Market Value 18.14 Market Value 14.73

Aggregate value of Unquoted Investments Cost - Cost 20.00



(₹ in lakhs)

6

FIXED ASSETS

Sl. No.	Fixed Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as at 31.03.10	Additions during the year	Deductions during the year	Cost as at 31.03.2011	Written off 31.03.10	For the year upto Depreciation	Deductions during the year	Written off upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
1.	Land	1,597.78	643.48	137.92	2,103.34	-	-	-	-	2,103.34	1,597.78
2.	Buildings	2,766.98	288.20	-	3,055.18	574.42	93.63	-	668.05	2,387.13	2,192.56
3.	Plant & Machinery	20,647.98	2,674.35	-	23,322.33	12,156.99	1,727.26	-	13,884.25	9,438.08	8,490.99
4.	Electrification	719.13	-	-	719.13	468.09	36.64	-	504.73	214.40	251.04
5.	Furniture & Fittings	108.16	3.42	-	111.58	53.48	10.82	-	64.30	47.28	54.68
6.	Office Equipment	159.23	4.79	-	164.02	58.48	7.71	-	66.19	97.83	100.75
7.	Office Vehicles	226.20	9.55	5.27	230.48	96.52	20.54	2.90	114.16	116.32	129.68
8.	Computers	610.21	80.61	-	690.82	444.97	84.25	-	529.22	161.60	165.24
	TOTAL	26835.67	3704.40	143.19	30396.88	13852.95	1980.85	2.90	15830.90	14565.98	12982.72



(₹ in lakhs)

Schedules to Balance sheet (Contd.,)

As at 31-03-2011

As at 31-03-2010

7**CURRENT ASSETS****Inventories**

Tools	189.79	144.37
Consumable Stores	203.20	112.87
Stock of Machinery Spares at Cost	368.87	256.19
<i>Stock-in-trade at lower of cost or market price</i>		
Stock of Raw Materials at cost	2,918.90	1,121.02
Stock of Finished Goods / Work-in-process	2,905.03	1,419.72
	<u>6,585.79</u>	<u>3,054.17</u>

Sundry Debtors-Unsecured, Considered Good

Outstanding for more than six months	5.82	31.51
Other Debts	4,215.36	2,859.48
	<u>4,221.18</u>	<u>2,890.99</u>

Cash and Bank Balances

Cash with Scheduled Banks in Fixed Deposits	77.84	569.56
Cash with Scheduled Banks in Current Accounts	44.50	37.36
	<u>122.34</u>	<u>606.92</u>

8**LOANS AND ADVANCES****Others**

Advances and Deposits receivable in cash or kind, unsecured, considered good

Advance for expenses	72.02	397.81
Other Advances	1.88	0.19
Advances to Staff	180.29	96.13
Sundry Deposits	142.48	179.30
Advance Tax	761.46	221.39
Liquid Fund	-	236.45
	<u>1,158.13</u>	<u>1,131.27</u>

9**CURRENT LIABILITIES**

Sundry Creditors	1,279.00	1,333.83
	<u>1,279.00</u>	<u>1,333.83</u>

10**PROVISIONS**

Proposed Dividends	362.11	181.06
Tax on dividend proposed	60.14	30.77
Income Tax Due	700.00	130.00
Unclaimed Dividend	15.11	10.17
	<u>1,137.36</u>	<u>352.00</u>

Schedules to Profit and Loss Account

(₹ in lakhs)

11

FYE 31-03-2011

FYE 31-03-2010

SALES

a. Domestic Sales		
Forged Components	7024.96	4501.70
Job receipts with customer materials	1270.15	924.52
	<u>8295.11</u>	<u>5426.22</u>
b. Export Sales		
Forged Components	18294.07	10417.74
	<u>26589.18</u>	<u>15843.96</u>

12

OTHER OPERATING INCOME

Power Generated	622.89	598.47
	<u>622.89</u>	<u>598.47</u>

13

OTHER INCOME

a. Interest / Dividend Received	32.49	44.41
b. Others	1.31	0.05
c. Sale of Assets	952.08	69.69
	<u>985.88</u>	<u>114.15</u>

14

RAW MATERIALS CONSUMED

Opening Stock	1121.02	1632.29
Purchases (Net) Steel Bars	13105.80	6431.94
	<u>14226.82</u>	<u>8064.23</u>
Less: Closing Stock	2918.90	1121.02
	<u>11307.92</u>	<u>6943.21</u>

15

PERSONNEL COSTS

Salaries, Wages, Allowances & Bonus	2234.56	1294.44
Company's contribution to Provident Fund, etc.	104.06	79.25
Co's contribution to Employees State Insurance	31.98	19.22
Co's contribution to Employees linked Insurance Fund	3.22	2.43
Co's contribution to Tamilnadu Labour Welfare Fund	0.10	0.08
Staff Welfare & Medical Expenses	260.24	141.79
Staff Gratuity	17.72	15.24
Director's remuneration	326.68	146.19
	<u>2978.56</u>	<u>1698.64</u>

16

REPAIRS AND MAINTENANCE

Buildings	39.87	14.07
Machinery	1022.49	393.94
	<u>1062.36</u>	<u>408.01</u>

Schedules to Profit and Loss Account (Contd.,)

(₹ in lakhs)

17
FYE 31-03-2011
FYE 31-03-2010
SELLING EXPENSES

Advertisement	7.80	3.96
Sales Promotion Expenses	5.29	2.16
Freight Charges (Net)	284.13	161.36
Excise Duty	0.00	0.05
Packing and Forwarding	26.15	7.39
	<u>323.37</u>	<u>174.92</u>

18
EXPORT EXPENSES

Packing and Forwarding	298.40	146.49
Insurance	68.60	36.16
Freight Charges	817.04	471.59
Machining Charges	0.00	0.15
Commission	441.37	161.61
Warehousing and other charges incurred overseas	300.82	110.09
Export Rates & Taxes	0.72	0.46
	<u>1926.95</u>	<u>926.55</u>

19
OTHER EXPENSES

Rent	3.88	15.41
Rates and Taxes	46.10	36.44
Printing & Stationery	34.64	23.66
Postage & Telegrams	3.44	2.66
Telephones	15.25	14.77
Legal charges	7.99	3.65
Audit Fees	12.25	7.77
Directors' Sitting Fees	0.74	0.64
Insurance Premium	54.08	51.62
Subscription	9.35	4.18
Travelling Expenses	173.00	118.98
Material Movement	131.20	81.26
Vehicle Maintenance	47.07	39.98
Bank charges and commission	43.37	18.96
General charges	3.30	2.19
Consultancy charges	18.90	14.75
Security charges	31.35	28.37
Share Registry Expenses	0.68	0.67
Loss on sale of assets	0.40	0.00
Donations	56.18	23.93
	<u>693.17</u>	<u>489.89</u>

20
INCREASE/DECREASE IN STOCK

Stock of Finished Goods / Work-in-Process at the beginning of the year	1419.72	1870.72
Stock of Finished Goods / Work-in-Process at the end of the year	2905.03	1419.72
	<u>(1485.31)</u>	<u>451.00</u>

Notes Annexed to and forming part of the Statements of Accounts as at 31 March 2011

A. Detailed Quantitative information in respect of goods manufactured during the year ending 31st March 2011

(Steel Forgings in Metric Tons)	2011	2010
1 Licenced Capacity (on 600 shift basis)		Not Applicable
2 Installed / Production Capacity (on 600 shift basis) (as certified by the Managing Director)	40000	38000/ 33,320
3 Opening Stock of goods produced	8,429	7,539
4 Production tonnage	28,191	17,488
5 Sales	26,240	16,598
6 Closing Stock of Finished Goods / Work-in-Process	10,380	8,429
7 Sales Value (₹ in lakhs)	26,589	15,844

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

	2011		2010
1 Raw Materials: Steel Bars (in tons)	37,393		24,226
	₹ in Lakhs	%	₹ in Lakhs
Indigenous	11197.38	99.02	6912.96
Imported	110.54	0.98	30.25
2 Machinery Spares			
Indigenous	540.69	98.41	178.32
Imported	8.71	1.59	0.57

C. Managerial Remuneration: (₹)

	Mr. Vidyashankar Krishnan	Mr. K. Venkatramanan
	2011	2010
Salary and allowances	69,21,000	40,68,000
Perquisites:		
Provident Fund	5,38,818	3,08,913
Superannuation	6,21,000	5,40,000
Gratuity Insurance	1,74,147	1,51,428
Others	47,652	52,132
Commission on Profits	78,52,951	21,00,000
Total	1,61,55,568	72,20,473

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

	Mr. V. Narayanan	Mr. V. Vaidyanathan	Mr. N. Srinivasan
Year	2011	2010	2011
Commission	3,25,000	2,75,000	1,60,000
Sitting Fees	29,000	24,000	12,000
Total	3,54,000	2,99,000	1,72,000

E. 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.

F	Computation of commission payable to Directors	₹	₹
	Profit before taxation		38,05,70,872
	Add: Directors' Sitting Fees	74,000	
	Managerial Remuneration	3,26,68,342	3,27,42,342
			41,33,13,214
	Managerial Remuneration payable U/S 309 @ 11%		4,54,64,454
	Actual Payment		3,26,68,342

G Expenditure in Foreign Currency (')

	2011	2010
I Travelling	96,84,885	55,08,662
II Books & Periodicals	-	-
III Raw Materials	1,10,54,161	30,25,333
IV Consumable Stores / Tools	51,51,620	32,45,666
V Export Expenses	5,24,31,448	1,93,59,707
VI Capital Goods	8,27,74,895	76,18,467
VII Machinery Spares	8,70,515	56,975
Total	16,19,67,524	3,88,14,810

H	Earnings in Foreign Currency on CIF Basis	1,77,88,24,059	99,87,84,260
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I. Contingent Liabilities

a. Letter of Guarantee	-	-
b. Letters of Credit	-	-
c. Export Bills Discounted	7,44,60,550	4,79,25,308

J. No amount is due to any small scale industries outstanding for more than 30 days, except items which are in dispute.

K. 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
- 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 upto the date of Installation. Fixed assets are shown net of accumulated depreciation.
 - b.2 The Company exercised 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 31.03.2011. The additional liability so capitalised is at ₹ 239.84 lakhs. The additional depreciation arising out of such additional capitalisation is at ₹ 4.13 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, utilisation during the year 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.
- i. Income Tax
- The same is provided based on Regular Computations. The Tax due as per regular computation is more than the same under MAT.
- j. The Deferred Tax Liability as at 31.03.2011 as per Accounting Standard 22 is ₹ 104.08 Lakhs. The same represents Timing Difference on account of method of charging depreciation.

L. Related Party Disclosures:

- There were no materially significant related party transactions made by the Company with its Promoters, their subsidiaries, Directors or Management or relatives etc. that may have potential conflict with the interests of the Company at large.
- The Directors of the Company are Directors / Partners in the following concerns

Shri. V. Narayanan

Other Directorship		Other Committee Memberships		
Name of the Company	Position	Name of the Company	Committee	Position
Glaxo SmithKline Pharmaceuticals Ltd	Director	Tamilnadu Newsprint and Papers Ltd	Audit	Chairman
Lafarge India Pvt Ltd.	Director	Glaxo Smith Kline Pharmaceuticals Ltd	Remuneration	Member
Sundram Fasteners Ltd.	Director	Rane (Madras) Ltd	Audit	Chairman
Samtel Color Ltd	Director	Sundram Fasteners Ltd	Audit	Member
Samcor Glass Limited	Director	Lafarge India Pvt Ltd	Audit	Member
Rane (Madras) Ltd	Director	Rane Holdings Ltd	Audit	Member
Rane Holdings Ltd	Director			
Tamilnadu Newsprint and Papers Ltd	Director			
Ponds Exports Ltd (Not Listed)	Director			
CAMS Advisory Board (Not Listed)	Director			
SANMAR Advisory Board (Not Listed)	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 Private Ltd	Chairman	India Cements Capital Ltd	Audit	Member
Biosynth Life Sciences India Ltd	Chairman			
Coromandel Electric Co. Ltd	Chairman	Indo Zinc Limited	Shareholders/ Investor Grievance	Chairman
Coromandel Sugars Ltd	Chairman			
E.W.Stevens & Co. Private Ltd	Chairman	Coromandel Sugars Ltd	Audit	Chairman
EWS Finance & Invst Ltd	Chairman			
ICL Financial Services Ltd	Chairman			
ICL International Ltd	Chairman			
ICL Securities Ltd	Chairman			
ICL Shipping Ltd India	Chairman			
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 Private Ltd	Chairman			
Trishul Concrete Products Private Limited	Chairman			
Unique Receivable Management P Ltd	Chairman			
The India Cements Limited	Vice Chairman & Managing Director			

Shri V. Vaidyanathan

Other Directorship		Other Committee Memberships		
Name of the Company	Position	Name of the Company	Committee	Position
Chettinad Morimura Semiconductor Material (P) Ltd –	Director			
F Hi Silica Ltd Double Vee Associates	Partner			

Shri Vidyashankar Krishnan

Other Directorship		Other Committee Memberships		
Name of the Company	Position	Name of the Company	Committee	Position
Association of Indian Forging Industry	President			
Srivatsa Electric & Electronic Limited	Director			
Synmax Consultants & Trading Private Limited	Director			
Baylife Medicare Private Ltd	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 Limited	Director			
Baylife Medicare Private Ltd	Director			
Unique Technologies	Partner			

In terms of our Report of even date

For G. Ramesh Kumar & Co.
Chartered Accountants

V.Narayanan
Chairman

Vidyashankar Krishnan
Managing Director

G.Ramesh Kumar
Partner
Membership no. 200 / 18663

N. Srinivasan
Director

Place : Chennai
Date : 22 April 2011

V.Vaidyanathan
Director

J.Sumathi
Company Secretary

Cash Flow Statement for the year ended 31st March 2011

(₹ in lakhs)

	2010-2011	2009-2010
A Cash Flow From Operating Activities		
Net Profit before Tax and Extra Ordinary Items	3,805.72	1,182.23
Adjustments for :		
Depreciation	1,980.85	1,160.44
Profit on Sale of Assets	(951.68)	(69.69)
Interest / Dividend received	(32.49)	(44.41)
Interest	562.06	616.11
Operating Profit before Working Capital Changes	5,364.46	2,844.68
Adjustments for :		
Decrease/(Increase) Trade and Other Receivables	(1,979.93)	(1,070.90)
Decrease/(Increase) Inventories	(3,531.61)	1,014.11
Increase/(Decrease) Trade Payables	(54.82)	807.03
Decrease/(Increase) Call Money Fund	236.45	55.68
Decrease/(Increase) in Investments	20.00	-
Cash Generated from Operations	54.55	3,650.60
Interest Paid	(562.06)	(616.11)
Direct Taxes Paid for last year	(28.91)	(20.21)
Direct Taxes Paid include advance tax for current year	(696.46)	(124.76)
Dividend Paid	(181.06)	(182.06)
Tax on Dividend	(30.77)	(32.50)
Net Cash from Operating Activities (A)	(1,444.71)	2,674.96
B Cash Flow From Investing Activities		
Purchase of Fixed Assets	(1,659.96)	(2,583.22)
Interest/Dividend	32.49	44.41
Sale of Fixed Assets	1,091.91	85.15
Increase/Decrease in Short Term Loans	3,030.74	970.21
Net Cash from Investing Activities (B)	2,495.18	(1,483.45)
C Cash Flow From Financial Activities		
Increase/Decrease in Term Loan	(1,535.05)	(671.22)
Net Cash from financing Activities (C)	(1,535.05)	(671.22)
D Net Increase in Cash / Cash Equivalents (A+B+C)	(484.58)	520.29
Cash and Cash Equivalents - (Opening Balance)	606.92	85.63
Cash and Cash Equivalents - (Closing Balance)	122.34	606.92
Increase/(Decrease)	(484.58)	521.29

In terms of our Report of even date

For G. Ramesh Kumar & Co.
Chartered Accountants

V.Narayanan
Chairman

Vidyashankar Krishnan
Managing Director

G.Ramesh Kumar
Partner
Membership no. 200 / 18663

N. Srinivasan
Director

Place : Chennai
Date : 22 April 2011

V.Vaidyanathan
Director

J.Sumathi
Company Secretary

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 <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=""/>	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=""/>
Bonus 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=""/>	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=""/>

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

Total Liabilities <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="8"/>	Total Assets <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="8"/>
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Sources of Funds

Paid-up Capital <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="4"/>	Reserves & Surplus <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/>
Secured Loans <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="4"/>	Unsecured Loans <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=""/>

Application of Funds

Net Fixed Assets <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="8"/>	Investment <input type="text" value=""/> <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="1"/> <input type="text" value="0"/> <input type="text" value="2"/>
Net Current Assets <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="8"/>	Misc 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=""/>
Accumulated Losses <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=""/>	

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

Turnover <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="8"/>	Total Expenditure <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="4"/>
Other Income <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="7"/>	
+ - Profit/Loss Before Tax <input checked="" type="checkbox"/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="1"/>	+ - Profit/Loss After Tax <input checked="" type="checkbox"/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="3"/>

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

Earnings Per Share in Rs. <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="."/> <input type="text" value="6"/> <input type="text" value="3"/>	Divident Rate % <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="0"/>
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V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code) <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="-"/> <input type="text" value="1"/> <input type="text" value="9"/>	Forged or Stamped Other -
Item Code No. (ITC Code) <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="-"/> <input type="text" value="9"/> <input type="text" value="0"/>	Other Articles of Iron or Steel -Other

In terms of our Report of even date

For G. Ramesh Kumar & Co.
Chartered Accountants

V.Narayanan
Chairman

Vidyashankar Krishnan
Managing Director

G.Ramesh Kumar
Partner
Membership no. 200 / 18663

N. Srinivasan
Director

Place : Chennai
Date : 22 April 2011

V.Vaidyanathan
Director

J.Sumathi
Company Secretary

**Cameo Corporate Services Limited****PROXY FORM**

Unit: M M Forgings limited
"Subramaniam Building, Fifth Floor,
No. 1, Club House Road, Chennai - 600002

Folio No/ DP ID:

I/We.....resident of.....
.....being a member/members of the above named Company hereby
appoint.....resident of.....
..... as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to
be held at 'Narada Gana Sabha' (Mini Hall), 314, T.T.K.Road, Chennai - 600018, at 12:05 hrs on Friday, the 12th day of
August 2011 and at any adjournment thereof.

Signature

Affix 1/-
Revenue
Stamp

Note: The Proxy form must be returned so as to reach the Company's Share Transfer Agents, Cameo Corporate Services Limited not less than 48 hours before the commencement of the aforesaid meeting.

Cameo Corporate Services Limited**Change of Address**

Unit: M M Forgings limited
"Subramaniam Building, Fifth Floor,
No. 1, Club House Road, Chennai – 600002

Place:
Date:
Folio No (s)
(To be filled by the Shareholders)

Dear Sirs,
Kindly take on record my address for your future communications.
Name and New Address : _____

To handover at the entrance of the Meeting Hall

Attendance Slip

Name of the attending Member _____

Member's Folio No/ DP Id _____ No. of Shares _____

Member's of the Proxy _____

(To be filled in if the Proxy attends instead of the Member)

I, hereby record my presence at the 65th Annual General Meeting of M M Forgings Limited at 'Narada Gana Sabha' (Mini Hall), 314, T.T.K.Road, Chennai - 600018, at 12:05 hrs on Friday, 12th August, 2011.

Member's / Proxy Signature

Note: Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.