

25th Annual Report 2009-2010



CERTIFIED TRUE COPY
For ~~Miven~~ Machine Tools Ltd.


V. K. Hasalkar
Company Secretary

MIVEN MACHINE TOOLS LIMITED

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MIVEN MACHINE TOOLS LIMITED

(FOR MEMBERS ONLY)

NOTICE

NOTICE is hereby given that the **TWENTY FIFTH ANNUAL GENERAL MEETING** of the members of **MIVEN MACHINE TOOLS LTD.** will be held at the Registered Office of the company at Tarihal Industrial Area, Tarihal, Hubli 580 026 (Karnataka) on Wednesday, the 29th September, 2010 at 3.30 P.M. to transact the following business :

AS ORDINARY BUSINESS :

- 1 To consider and adopt the Audited Balance Sheet as at 31st March, 2010, the Profit and Loss Account for the year ended on that date and the report of the Directors and Auditors thereon.
- 2 To appoint a Director in place of Mr. Mukund Muley who retires by rotation and being eligible offers himself for re-appointment.
- 3 To appoint a Director in place of Mr. A R Menon who retires by rotation and being eligible offers himself for re-appointment.
- 4 To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS :

1. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution :

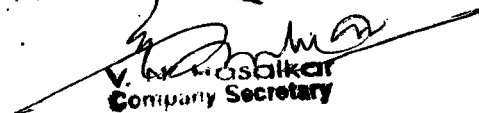
"RESOLVED THAT subject to the provision of Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, If any, of the Companies Act, 1956, and with the recommendation of the Remuneration Committee, Mr. Vikram Sirur be and is hereby re-appointed as whole time Director of the Company (designated as Executive Chairman) for a period of three years commencing with effect from 01-07-2010 to 30-06-2013, on the existing terms and conditions as contained in detail in the explanatory statement annexed to this notice with liberty to the Board to vary the terms and conditions during the period of re-appointment within the limits as provided under Schedule XIII of the Companies Act, 1956."

Registered Office :
Tarihal Industrial Area,
Tarihal, HUBLI - 580 026

Dated 6th August, 2010

By Order of the Board
For MIVEN MACHINE TOOLS LTD.,

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For MIVEN MACHINE TOOLS LTD.


V. N. HASALKAR
Company Secretary

(V N HASALKAR)
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the item of special business is annexed to this notice.
3. The Register of Members and Share Transfer Books will remain closed on 28th and 29th of September, 2010.
4. Members are requested to notify the changes in their addresses to the company immediately.
5. Members, who are holding shares in identical order of names in more than one folio, are requested to write to the company enclosing their Share Certificates to consolidate these holdings into one folio.
6. Members seeking information are requested to send their queries, if any, at an early date, so as to enable the management to keep the information ready.
7. A brief resume of the directors proposed to be reappointed vide Ordinary Business Nos. 2 and 3 in the notice are as follows:

Mr. MUKUND MULEY:

Mr. Mukund Muley (44) holds degree in B.E.(Elect.). He has about 24 years of experience in the field of Electronics. He is Managing Director of Cotmac Electronics Pvt. Ltd., Director of Cotmac Electronics (Surat) Pvt. Ltd., Cotmac Telecom Pvt. Ltd., Cotmac Infotech Pvt. Ltd., Cotmac Electronics (Bangalore) Pvt. Ltd., Cotmac Gastech Pvt. Ltd., Softek Controls Pvt. Ltd., and Proprietor of M & M Floriculture. Mr. Mukund Muley is a member of Remuneration Committee of the Co.,

MR. A R MENON:

Mr. A R Menon (60) holds degree in B.Sc. (Engineering) He has been with this Company since inception in various capacities. He has about 34 years of experience in the Engineering Industry. Mr. Menon is a member of the Audit Committee and Shareholders' Grievance Committee of the Co.,

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For Miven Machine Tools Ltd.


V. N. Hasalkar
Company Secretary

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MIVEN MACHINE TOOLS LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM OF SPECIAL BUSINESS:

At the twenty second Annual General Meeting held on 24-08-2007, Mr. Vikram Sirur was re-appointed as whole time Director (designated as Executive Vice Chairman) on certain terms of remuneration for a period of three years with effect from 1st July 2007 to 30th June 2010. His term of office expires on 30th June 2010.

The Company has been immensely benefited by his rich experience and guidance in the management and policymaking process. Considering the need to retain his Services, the Board of Directors at their meeting held on 3rd May, 2010 have approved his re-appointment on the existing terms and conditions for a period of 3 years with effect from 1st July, 2010.

The Remuneration Committee at its meeting held on 28th April, 2010 held extensive deliberations and after detailed discussion and taking note of the financial position of the Company, have recommended to the Board that Mr. Vikram Sirur be re-appointed for a further period of three years on the existing terms and conditions from 1st July, 2010 to 30th June, 2013.

It is proposed to pay Remuneration within the ceiling limits prescribed under section II of part II of Schedule XIII. Mr. Vikram Sirur fulfills the requirements under Part I of the said Schedule.

The terms of reappointment remain unchanged and they are as under.

(I) SALARY

Rs. 25,000/- per month inclusive of allowances, if any payable under the company's rules with discretion to the Board to fix the annual increment or provide additional allowances based on the performance of the company so however, that the total remuneration do not exceed the ceiling limits as applicable and as specified under Schedule XIII of the Companies Act, 1956.

(II) Allowances and perquisites

Within the limits of the aforesaid legal provisions, Mr. Vikram Sirur shall be entitled to the following allowances and perquisites.

- 1) Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per rules of the company.
- 2) The actual expenditure incurred by the company on premium paid under Employer and Employee Scheme of LIC of India or any employment benefit scheme/superannuation fund scheme/annuity fund scheme framed by an approved insurance Company in India.

(III) Gratuity

One -half month's salary for each completed year of service subject to the ceiling limit as prescribed in the Income Tax Act.

(IV) Others

- a) The general management of the affairs of the Company shall be vested in the Executive Chairman subject to the superintendence, control and directions of the Board of Directors.
- b) In the event of loss or inadequacy of profit in any financial year, the above terms of remuneration and other perquisites will be admissible as minimum remuneration paid to Mr. Vikram Sirur subject to compliance with the provisions of Schedule XIII of the Companies Act, 1956.
- c) The Executive Chairman is liable to retire by rotation.
- d) Subject to the provisions of Section 318 of the Companies Act, 1956, the Executive Chairman shall be entitled to compensation for loss of office, if, before the expiration of the agreement, the tenure of his office is determined.

Except Mr. Vikram Sirur Director, no other director is interested in the proposed resolution.

This explanatory statement may be treated, as the abstract containing the salient features of the terms of re-appointment of Mr. Vikram Sirur required to be sent to the members under Section 302 of the Companies Act, 1956

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For Miven Machine Tools Ltd.

Registered Office :
Tarihal Industrial Area,
Tarihal, HUBLI - 580 026

Dated 6th August, 2010

V. N. HASALKAR
Company Secretary

By Order of the Board
For MIVEN MACHINE TOOLS LIMITED

(V. N. HASALKAR)
Company Secretary

BOARD OF DIRECTORS

: **Vikram R Sirur – *Chairman***
Shyam Sirur
Sanjay B Baljekar
Mukund Muley
A R Menon – *Executive Director*

COMPANY SECRETARY

: **V. N. Hasalkar**

AUDITORS

: **B K Ramadhyanl & Co.,**
Chartered Accountants
Bangalore

BANKERS

: **The Shamrao Vithal Co-op. Bank Ltd.,**
Hubli

REGISTERED OFFICE AND WORKS

: **Tarihal Industrial Area**
Tarihal, HUBLI – 580 026
Karnataka, India

DIRECTORS' REPORT

To

The Members.

Your Directors wish to submit their 25th Annual Report on the Audited Accounts for the year ended 31st March, 2010

(Rs. in lakh)

FINANCIAL RESULTS :	Year ended 31.03.2010	Year ended 31.03.2009
Gross Income	515.50	601.34
Less : Excise Duty	30.07	64.10
	485.43	537.24
 Profit (Loss) Before		
Interest & Depreciation	(9.18)	(5.12)
Interest	69.53	66.53
Depreciation	16.51	18.98
Net Profit / (Loss)	(95.22)	(90.63)
Provision for Fringe Benefit tax	-	3.20
Charge on account of transitional provisions for Gratuity under Accounting Standard -15	-	(3.41)
Loss brought forward	472.94	382.51
Deficit carried to Balance Sheet	568.16	472.94

OPERATIONS :

During the year under review, your company achieved a turnover of Rs.485.43 lakh excluding Excise Duty as against previous year's turnover of Rs.537.24 lakh excluding Excise Duty and suffered a loss of Rs.95.22 lakh as against previous year's net loss of Rs.87.22 lakh. Your company manufactured and despatched 9 machines during the year under report as against 13 machines during the previous year.

Your company's order book position at the beginning of the year under report consisted of 3 machines for

a value of Rs.193.30 lakh.

During the year, your company received orders for 9 machines for a value of Rs.409.38 lakh.

Though there is increase in in-house manufacturing activity during the year under report, the material consumption has increased to 63.09% as compared to that of previous year of 60.77%.

DEPOSIT :

During the year under report, the company has not accepted any deposits from the public.

DIVIDEND :

In view of the loss for the year and the unabsorbed accumulated losses of the earlier years, your directors regret their inability to recommend dividend for the year under report.

PROSPECTS :

The continued global slowdown during the year continued to badly affect the order position of the company. The emerging scenario, especially the performance of the indian economy in the first quarter of this fiscal, gives hopes of improved orders booking, especially for the large sized machines, for which we enjoy a niche position. Your company has established sound market acceptability for its product as is evidenced by the Company receiving repeat orders from existing customers despite showing competition. However, the biggest handicap faced by the company relates to large working capital requirements coupled with delayed settlement of bills, especially by big customers.

Your company is hopeful that there would be improvement in the financial performance during the ensuing fiscal year.

DIRECTORS RETIRING BY ROTATION :

1. Mr. Mukund Muley, Independent Director of the company, retire by rotation and being eligible, offers himself for re-appointment.
2. Mr. A R Menon, Executive Director of the company, retire by rotation and being eligible, offers himself for re-appointment.

DIRECTORS' REPORT (Contd..)

A brief profile of the directors retiring by rotation is given below:

Mr. MUKUND MULEY:

Mr. Mukund Muley (44) holds degree in B.E.(Elect). He has about 24 years of experience in the field of Electronics. He is Managing Director Cotmac Electronics Pvt. Ltd., Director of Cotmac Electronics (Surat) Pvt. Ltd., Cotmac Telecom Pvt. Ltd., Cotmac Infotech Pvt. Ltd., Cotmac Electronics (Bangalore) Pvt. Ltd., Cotmac Gastech Pvt. Ltd., Softek Controls Pvt. Ltd. and proprietor of M & M Floriculture; Mr. Mukund Muley is a member of Remuneration Committee of the Company.

MR. A R MENON:

Mr. A R Menon (60) holds degree in B.Sc. (Engineering). He has been with this company since inception in various capacities. He has about 34 years of experience in the Engineering Industry. Mr. Menon is a member of the Audit Committee and Shareholders' Grievance Committee of the Company.

Re-appointment of Mr. Vikram R Sirur as Executive Chairman:

At the Annual General Meeting held on 24-08-2007, Mr. Vikram R Sirur was re-appointed as Whole Time Director (Designated as Executive Vice Chairman) for a period of three years from 1st July, 2007 to 30th June, 2010. His term of office expires on 30th June, 2010.

The Remuneration Committee and the Board of Directors at their meeting held on 28th April, 2010 and 3rd May, 2010 respectively have recommended his re-appointment on the existing terms and conditions for a further period of three years from 1st July, 2010 to 30th June, 2013.

In view of his expertise and significant contribution to the management of the affairs of the Company, the Board recommends his re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i. That in the preparation of the annual accounts for the financial year ended 31st March, 2010, the applicable accounting standards had been followed along with proper explanation relating to

material departures.

- ii. That the Directors had selected such accounting policies and applied them consistently and made judgements, and estimates that were 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 loss for the year under review.
- iii. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors had prepared the accounts for the financial year ended 31st March, 2010 on a 'Going Concern' basis.

AUDITORS:

M/s.B K Ramadhyani & Company, Chartered Accountants, Bangalore, the auditors of the company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. You are requested to re-appoint auditors for the current year and fix their remuneration.

DISCLOSURE WITH REGARD TO CONSERVATION OF ENERGY, TECHNOLOGY OUTGO, ETC:

Information as required under Section 217 (1) (e) of the Companies Act, 1956 forms part of this report and is given in Annexure.

EMPLOYEES:

During the year under review, there was no employee who was in receipt of a remuneration, which is in excess of Rs.2,00,000 per month or Rs.24,00,000 per annum, and hence the particulars of the employees as required in terms of Section 217 (2A) of the Companies Act, 1956 are not given in the report.

CORPORATE GOVERNANCE PROVISIONS :

Pursuant to the provisions of Clause 49 of the Listing Agreement, the company has adopted the provisions relating to Corporate Governance Code.

Your company has complied with all the mandatory requirements of the said Corporate Governance

ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217 (1) (e) of the Companies Act 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A CONSERVATION OF ENERGY :

a. Energy conservation measures taken :

The Company has an effective internal control system for monitoring power consumption. Being engaged in assembly of machines, power consumption is minimum.

b. Additional investments and proposals, if any, being implemented for reduction of consumption of energy :

No fresh investments are proposed. By its internal control measures, the consumption of energy is being closely monitored.

c. Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

Lower cost of production of goods.

d. Total energy consumption and energy consumption per unit of production as per Form 'A' of the annexure in respect of industries specified in the schedule thereto:

Our industry is not specified in the schedule to Form 'A' of the annexure. Therefore, Form 'A' is not furnished.

B Efforts made in technology absorption:

Not applicable as no foreign technology is involved.

1. Specific areas in which R & D is Carried out by the company.

Presently, no specific area concerning research and development is being carried out.

2. Benefits derived as a result of the above R & D:

- Increase in range of products.
- Serve new market segments.

3. Future plan of action:

To concentrate on booking orders in the improved economic situation for the company's products.

4. Expenditure on R&D :

	Rs.
a. Capital	—
b. Recurring	4,89,650
c. Total	4,89,650
d. Total R&D expenditure as a percentage of total turnover	1.01%

Technology absorption, adaptation and innovation.

1. Efforts made :

Our machine building technology is being continuously upgraded to suit the specific requirements of customer.

2. Benefits derived as a result of above efforts :

Constant interaction with our vendors and sub-contractors is undertaken to improve the quality of the products.

3. Technology imported during the last five years:

- Technology imported : NIL
- Year of import : Not applicable
- Has technology been fully absorbed : Not applicable
- If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action : Not applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

a. Activities relating to exports :

The company has not exported its products during the year under review.

b. Total foreign exchange used and earned:

Foreign Exchange Earnings	Rs. NIL
Foreign Exchange Outgo (used)	Rs. NIL

For and on behalf of the Board of Directors

Place **CERTIFIED TRUE COPY** VIKRAM SIRUR
Date : 6th August, 2016 Chairman
For Miven Machine Tools Ltd.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2009-10
(Pursuant to Clause 49 of the Listing Agreement entered into with Stock Exchanges)

The following is the report on the Corporate Governance Code as implemented by your Company.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE :

Corporate governance contains set of principles, process and systems to be followed by Directors, management and all the employees of the Company for increasing the stakeholders' value. The stakeholders include shareholders, suppliers, employees, customers, Banks and Financial Institutions. To be in line with the above policy, the company is committed to integrity, accountability, transparency and compliance with the various corporate and other laws in its dealings with the Government authorities, customers, suppliers, employees and other stakeholders.

2. BOARD OF DIRECTORS :

Composition of Board of Directors, attendance at Board meetings, last Annual General Meeting and details of membership of other Boards/Committees.

During the year, there were five Directors on the Board. Out of these, two are Executive Directors and other three are Non Executive Directors. The Non Executive Directors constituted more than half of the total number of Directors.

Out of five Directors, three were independent Directors, thus ensuring compliance with the requirement of code.

The information on the composition of the Board, category of Directors, attendance at Board meetings held during the year and at the last Annual General Meeting, directorships in other public companies and committees of other public companies of which the director is member / chairman is furnished in the table given below:

Name of the Director	Category	Financial year. 2009-2010		Attendance at the Last AGM (Yes/No)	No. of Directorships in other public companies incorporated in India	Committee position held in other companies
		No. of Board Meetings held	No. of Board Meetings attended			
Mr. Vikram Sirur	Executive	6	6	Yes	-	-
Mr. A R Menon	Executive	6	6	Yes	-	-
Mr. Shyam Sirur	Independent Non Executive	6	4	No	-	-
Mr. Sanjay B Baljekar	Independent Non Executive	6	3	No	-	-
Mr. Mukund Muley	Independent Non Executive	6	3	No	-	-

Details of Board Meetings held during the year:

During the year 2009-2010, 6 (six) Meetings of the Board were held. These meetings were held on the following dates :

Sl No.	Dates
1	28.04.2009
2	29.06.2009
3	24.07.2009
4	30.10.2009
5	16.12.2009
6	29.01.2010

None of the Directors of the company was a member of more than 10 Committees nor was any director the Chairman of more than 5 Committees across all companies in which he was a Director.

Non Executive Directors — compensation, disclosures and term of office:

Non-Executive Directors are not receiving any compensation from the Company, except for sitting fees payable to them for attending the Board meetings. They are subject to retirement by rotation

REPORT ON CORPORATE GOVERNANCE (Contd..)

as provided under the Companies Act, 1956.

The Company paid sitting fees to all the Non-Executive directors at the rate of Rs. 2,500/- per meeting upto March 31, 2010. The sitting fees paid to the directors for the year under report are as follows:

Name	Amount (Rs)
Mr. Shyam Sirur	7,500
Mr. Mukund Muley	5,000
Mr. Sanjay B Baljekar	5,000

General Information about Directors retiring by Rotation :

Mr. Mukund Muley and Mr. A R Menon retire by rotation at the ensuing Annual General Meeting. Being eligible, they have offered themselves for re-appointment. A brief resume of the directors is given below :

Mr. Mukund Muley

Mr. Mukund Muley (44) holds degree in B.E.(Elect). He has about 24 years of experience in the field of Electronics. He is Managing Director Cotmach Electronics Pvt. Ltd., and Director of Cotmach Electronics (Surat) Pvt. Ltd., Cotmac Telecom Pvt. Ltd., Cotmat Infotech Pvt. Ltd., Cotmac Electronics (Bangalore) Pvt. Ltd., Cotmac Gastech Pvt. Ltd., Softek Controls Pvt. Ltd., and Proprietor of M & M Floriculture; Mr. Mukund Muley is a member of Remuneration Committee of the Company.

MR. A R Menon

Mr. A R Menon (60) holds degree in B.Sc. (Engineering) He has been with this Company since inception in various capacities. He has about 34 years of experience in the Engineering Industry. Mr. Menon is a member of the Audit Committee and Shareholders' Grievance Committee of the Company.

3. AUDIT COMMITTEE:

The Audit Committee comprises of the following directors :

1. Mr. Sanjay B. Baljekar-Chairman
Independent Director
2. Mr. Shyam Sirur-Member
Independent Director
3. Mr. A R Menon-Member
Executive Director

The Audit Committee comprises of two Independent and non executive Directors, thus ensuring compliance with the requirements of Cause 49(IIA) of Listing Agreement.

Mr. Sanjay B Baljekar Chairman of the Audit Committee is an independent non-executive director and having expert knowledge of financial and accounting matters.

Mr. V N Hasalkar, Company Secretary is the Secretary of committee.

Brief terms of reference include monitoring, analysing and reporting to Board on :

(a) Accounting policies, practices and procedures (b) Compliance with Accounting Standards (c) related party transactions (d) Compliance with all applicable provisions of law (e) internal control procedures (f) review of periodical accounts (g) internal audit (h) directors appointments, remuneration and related matters of law (i) complaints and short-falls in the financial management etc.

During the year under report, Five meetings of the committee were held on 17.04.2009, 29.06.2009, 18.07.2009, 30.10.2009 and 22.01.2010. The names of the members of the committee, the number of meetings held and attended by them is tabulated below:

Name of the Member	No. of Meetings	
	Held	Attended
Mr. Sanjay B Baljekar - Chairman	5	5
Mr. Shyam Sirur - Member	5	5
Mr. A R Menon - Member	5	5

The Company paid sitting fees to the Non-executive Directors @ Rs.2500/- per meeting upto March, 2010. The sitting fees paid to Non-executive Directors for the year under report are as follows.

Name	Amount (Rs.)
Mr. Sanjay B Baljekar	5,000/-
Mr. Shyam Sirur	2,500/-

4. REMUNERATION COMMITTEE :

Composition :

The Remuneration Committee consists of the following three Directors:

REPORT ON CORPORATE GOVERNANCE (Contd..)

1. Mr. Shyam Sirur – Chairman
2. Mr. Sanjay B Baljekar – Member
3. Mr. Mukund Muley – Member

All the members of the Committee are Non-Executive Directors.

The terms of reference include scrutinising and recommending from time to time all aspects of remuneration and / or any other payment / allowances to Executive Directors.

Remuneration Policy :

The remuneration package for Executive Directors will be decided by the Board of Directors on the recommendation of the Remuneration Committee keeping in view the prevailing trends. The terms of remuneration is subject to the approval of the members in General Meeting, or by the Central Government, as the case may be.

Details of remuneration paid / accrued to Executive Director / Whole Time Director:

	Vikram Sirur Exe. Chairman	A.R. Menon Exe. Director
PARTICULARS	Amount Rs.	Amount Rs.
Salary	3,00,000	6,00,000
House Rent Allowance	-	60,000
Reimbursement of Medical expenses	-	50,000
Employer's Contbn. to Provident Fund	36,000	72,000
Contribution to Superannuation Fund	45,000	90,000
Leave Encashment	-	15,833
Gratuity	14,423	28,846
T O T A L	3,95,423	9,16,679

Notes :

1. Contribution to gratuity fund under Group Gratuity Scheme is not separately identifiable in respect of the Executive Director.
2. None of the above said remuneration/benefits is performance linked.
3. The Executive Chairman shall discharge his duties

under the superintendence and directions of the Board of Directors from time to time. His appointment is contractual.

4. The Executive Director shall discharge his duties under the superintendence and directions of the Board of Directors from time to time. His appointment is contractual.
5. The terms of office of the above said Directors are for three years effective from the date of their appointment.

5. SHAREHOLDERS' GRIEVANCE COMMITTEE :

Composition:

The Shareholders / Investors Grievance Committee comprises of:

1. Mr. Sanjay B Baljekar - Chairman
2. Mr. Vikram Sirur - Member
3. Mr. A R Menon - Member

Mr. Sanjay B Baljekar, the non-executive Director is the Chairman of the Committee.

Mr. V N Hasalkar, Company Secretary is the Compliance Officer and Secretary of the committee.

The terms of reference of this Committee envisages the following:

1. Dealing with matters relating to share transfer.
2. Reviewing the system of dealing with and responding to correspondence from shareholders.
3. Reviewing and dealing with complaints and responses to letters received from Stock Exchanges and SEBI.

No investor grievance or complaints were received during the year.

Number of Pending Complaints:

No complaints have been received from shareholder during the year. As on the date of this report, there are no investor complaints or requests for share transfer pending resolution with the company.

The Company Secretary, as and when required,

REPORT ON CORPORATE GOVERNANCE (Contd.)

approves completed share transfer requests.

No meeting of the Shareholders/Investor Grievance Committee was held during the year.

6. GENERAL BODY MEETINGS :

All the three previous Annual General Meetings of the Company were held at the Registered Office of the company at Tarihal Industrial Area, Tarihal, Hubli - 580 026 on the following dates:

Year Ended	Date of the meeting	Time	Resolutions passed
31 st March, 2007	24.08.2007	3:30 PM	Ordinary - 4 Special - 1
31 st March, 2008	19.09.2008	3:30 PM	Ordinary - 4 Special - 1
31 st March, 2009	25.09.2009	3:30 PM	Ordinary - 4 Special - 2

No resolution was passed by Postal Ballot in the previous year. There is no resolution proposed to be passed by postal ballot at the ensuing Annual General Meeting.

7. DISCLOSURES :

Materially significant related party transactions.

a. Transactions with the related parties are disclosed in note No. 21 of Schedule N of the Notes forming part of the financial statements in the Annuals Report.

b. There are no transactions, which may have potential conflict with the interest of the Company.

c. The company has complied with all the mandatory requirements prescribed under Clause 49 of the Listing Agreement. Regarding non-mandatory requirements:

- The company is maintaining office for the executive chairman.

- Remuneration committee has been constituted to approve remuneration of Executive chairman/Executive Director.

d. The company is publishing un audited financial results.

e. The Board members are having adequate experience and expertise to deal with the business matters.

f. The company has installed an internal policy for its Employees to ensure free access to information and transparency in operations.

g. The Board has noted and reviewed the Compliance report of all laws applicable to the Company, which were placed before each of its meeting held during the year.

h. The financial statement for the year 2009-10 have been prepared in accordance with applicable accounting standards prescribed by the Institute of Chartered Accountants of India and there are no deviations.

WHISTLE BLOWER POLICY AND AFFIRMATION :

The Company has installed an internal policy for its employees to ensure free access to information and transparency in operations. The Company places great reliance on proper and ethical business practices. Employees are encouraged to report unethical practices freely to the Audit Committee and top management without fear of victimization or any other repressive measures.

The Company hereby affirms that it has not denied any personnel access to the Audit Committee (in respect of matters involving alleged misconduct) and that it has provided protection to the "Whistle Blowers" from unfair termination and other unfair or prejudicial employment practices.

CODE OF CONDUCT :

The company has framed and adopted a Code of Conduct, which is approved by the Board of Directors of the Company. The code is applicable to all directors and senior management of the Company. This code has been posted on the Company's website www.mivenmachinetool.com. During the year under review, all directors and senior management have confirmed their adherence to the provisions of the said code.

Compliance of Non-mandatory requirements under Corporate Governance :

The company has taken cognizance of the non-mandatory requirements mentioned at Annexure IC of the Corporate Governance provisions. The company has constituted a Remuneration Committee with 3 non-executive directors to examine and recommend to the Board on all aspects of remuneration package to the executive directors. A Whistle Blower Policy has also been approved and has been implemented. The company is committed to implementation of other non-mandatory requirements as and when found appropriate.

REPORT ON CORPORATE GOVERNANCE (Contd..)

8. MEANS OF COMMUNICATION :

The quarterly results were published in Financial Express and Kannada Prabha in vernacular language.

The quarterly un-audited financial results during the financial year 2009-2010 were published as detailed below.

Quarter (F.Y.2009-10)	Date of Board Meeting	Date of publication	Name of the News Paper
1	29.06.2009	01.07.2009	Financial Express Kannada Prabha.
2	24.07.2009	25.07.2009	Financial Express Kannada Prabha.
3	30.10.2009	01.11.2009	Financial Express Kannada Prabha.
4	29.01.2010	30.01.2010	Financial Express Kannada Prabha.

For the year ending 31st March, 2011, results will be announced as per time schedule specified below (subject to changes)

End August 15, 2010 : First quarter
End November 15, 2010: Second quarter/Half Yearly
End February 15, 2011 : Third quarter
End May 15, 2011 : Fourth quarter

The Company has web-site at www.mivenmachinetool.com since December, 2003.

The Management Discussion and Analysis Report is separately annexed forming part of the Directors' Report.

9. SHAREHOLDERS' INFORMATION (GENERAL)

General information to shareholders is furnished below.

Company Registration :

The Company is registered in the state of Karnataka, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U29295KA1985PTC007036.

Annual General Meeting :

The Annual General Meeting of the Company for the financial year ended 31st March 2010 will be held on 29th September, 2010 at 3.30 p.m. at the Registered office of the Company at Tarihal

Industrial Area, Tarihal, Hubli.

Financial Calendar :

Financial year: 1st April to 31st March

Book Closure :

The Share Transfer Books and the Register of Members will be closed on 28.09.2010 and 29.09.2010

Dividend :

In view of the loss for the year and the unabsorbed accumulated losses of the earlier years, your directors regret their inability to recommend dividend for the year under report.

Listing :

The Company's shares are listed on The Bombay Stock Exchange, The Delhi Stock Exchange Ltd. and The Bangalore Stock Exchange Ltd. The Company has paid listing fees for the year 2009-10 (at the applicable rates) to Bombay stock exchange only. For the year 2010-2011, Annual Listing Fees has been paid to the Bombay Stock Exchange only

The scrip code at Bombay Stock Exchange is 522036.

Market Price Data :

The Monthly Highest and Lowest prices at which the Company's shares were traded:

During the year 2009-10, the equity shares of your Company were not traded in any of the stock exchanges in which the shares are listed.

Performance in comparison to broad based indices such as BSE Sensex, CRISIL index etc.

In view of the lack of trading in the scrips, no performance comparison with other broad based indices is possible.

Registrar and Transfer Agents.

The Company has not appointed any Registrar and Transfer Agents for the transactions with shares of the company during the year under report. All share registry activities are carried out in-house.

REPORT ON CORPORATE GOVERNANCE (Contd..)**Share Transfer System :**

The Company has competent in-house facility for attending to requests for share transfers. The designated officials / Company Secretary are authorised to scrutinize and approve the share transfers on fortnightly basis.

Distribution of Shareholding as on 31.03.2010:

Nominal Value of Shares-Rs.	Number of Share holders	Share Amount In Rupees	% to Paid-Up Capital
Upto 5,000	1998	28,45,500	9.474
5,001-10,000	51	3,85,000	1.282
10,001-20,000	11	1,62,000	0.539
20,001-30,000	02	42,000	0.140
30,001-40,000	03	1,00,000	0.333
40,001-50,000	01	42,000	0.140
50,001-1,00,000	01	77,000	0.256
1,00,001 & above	03	2,63,81,500	87.836
TOTAL	2070	3,00,35,000	100.000

Dematerialisation of shares and liquidity:

The company is keen to implement dematerialization of its shares. All the shares are held in physical mode only. Due to accumulated losses and erosion of net worth, it is not possible to fulfill the eligibility norms stipulated by NSDL for dematerialization of shares. Consequently, the company is neither able to attract any additional investment nor complete the process of dematerialization.

Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity :

Except Equity Shares, no other instrument has been issued by the Company.

Plant location (also the Registered Office):

Tarihal Industrial area, Tarihal, Hubli 580 026 (Karnataka)

Address for correspondence :

Company Secretary,
Miven Machine Tools Limited,
Tarihal Industrial Area,
Tarihal, Hubli-580 026, (Karnataka)

General :

Members of the Company may nominate a person to whom share(s) held by such Member/s shall vest in the event of the death of such Member/s. Such Nomination should be in Form No. 2B.

Compliance Officer and address for communication:

Mr. V N Hasalkar, Company Secretary is the Compliance Officer. For any clarifications or grievances, if any, regarding the shares, dividends, share transfers etc. members may contact him at the Registered Office of the Company at Miven Machine Tools Ltd., Tarihal Industrial Area, Tarihal, Hubli - 580 026. (Phone No. 0836 - 2212221-4, Fax 0836-2310411.)

10 CEO/CFO Certification :

As required under Clause (V) of Clause 49 of the Listing Agreement, the Company has obtained a certificate from Mr.A.R. Menon, Executive Director and Mr.S.A. Joshi, Manager (Accounts) and Personnel Officer confirming compliance of the aforesaid Clause.

11 CERTIFICATE FROM AUDITORS ON COMPLIANCE WITH CORPORATE GOVERNANCE PROVISIONS :

In compliance with sub Clause VII of the Corporate Governance Provisions prescribed under Clause 49 of the Listing Agreement, the required Certificate from Auditors certifying compliance with Corporate Governance provisions is annexed to this report.

For and on behalf of Board

Place : Hubli
Date : 06.08.2010
V. N. Hasalkar
Chairman
For Miven Machine Tools Ltd.

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CERTIFIED TRUE COPY
V. N. Hasalkar
Company Secretary

CERTIFICATE OF THE AUDITORS IN RESPECT OF COMPLIANCE OF CORPORATE GOVERNANCE

To

The Members of

Miven Machine Tools Ltd.,

We have examined the compliance of conditions of Corporate Governance by Miven Machine Tools Ltd., Hubli, for the year ended on 31st March, 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.

The Company is publishing the quarterly results in the

news papers as required by stock exchanges. It has not published the same in website.

In our opinion and to the best of our information and according to the explanations given to us and representations made by 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.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For B K Ramadhani & Co.,
Chartered Accountants
Firm Registration No. 002878S

C R Krishna
Partner
Membership No.27990

Place : HUBLI
Date : 6th August, 2010

CERTIFIED TRUE COPY
For Miven Machine Tools Ltd.


V.N. Hasolkar
Company Secretary

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a) Industry structure & development:

Our industry comes under the purview of General Engineering Industry in general and machine tool industry in particular. We manufacture CNC Horizontal Turning Lathes of 6" and above and our product falls under the Capital Goods Industry.

The market for CNC lathes is estimated at 7000 machines for the financial year 2010-11. Considering the size of the machine we manufacture, we estimate it at 5% of this market, i.e. 350 machines and our company's share is 8% of this niche market i.e. 28 machines.

b) Opportunities and Threats:

The auto components sector is expected to maintain its performance. However, raising interest costs witnessed by the economy is expected to slow down its growth rate this year. Our machines are also in use in Defence, Process control and other allied industries, which are showing signs of improvement.

Defence and Steel manufacturing companies have come-up with tenders to participate in their inquiries. There are exciting opportunities for improved sale of our products to the private sector and your company has commenced aggressive marketing efforts in this direction.

Due to increase in demand, many competitors are entering the field and are posing serious competition in the pricing pattern.

The threat is from imported machinery (new and second hand), large working capital needs and reduced customs duty on imported machinery which affects the margin on your machines.

c) Segment-wise or product-wise performance:

Your company manufactures only one type of product, i.e. CNC Turning Machine and Ancillary Machines. Hence we have only one segment. During the year under report, we manufactured and sold 9 machines valued at Rs. 364.71 Lakh (excluding excise duty).

d) Outlook:

The current year looks to be good. Your company has established sound market acceptability for its

product as is evidenced by the Company receiving repeat orders from existing customers despite showing competition. The Company is exploring alternative product lines to ensure improved sales and better margins.

e) Risks and Concerns:

Rising input costs poses a real challenge to profitability. Delay by customers in pre-acceptance and final trials prior to shipment has created adverse liquidity situation by way of higher inventory costs getting locked up specifically from government sector customers.

f) Internal control systems and their adequacy:

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

Regular internal audit system is in place to ensure that internal control systems are working satisfactorily.

g) Discussion on Financial performance :

The financial statements have been prepared in accordance with the Companies Act, 1956, and are in accordance with Accounting Standards.

The Company's financial performance is detailed in the Directors' Report.

h) Human Resources:

The company continues its policy of upgrading employee skills by deputing them to various training programs, seminars and workshops conducted by eminent authorities. The company's policy is to ensure optimum utilisation of manpower.

As on 31st March, 2010, the total number of salaried employees stood at 39.

The Employer-Employee Relations were cordial throughout the year.

For and on behalf of the Board

Place : HUBLI

VIKRAM SIRUR

Chairman

CERTIFIED TRUE COPY
For Miven Machine Tools Ltd.

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V. N. Hasalkar
Company Secretary

BY ORDER OF THE BOARD
DIRECTOR GENERAL

AUDITOR'S REPORT

To,
The Members of

Miven Machine Tools Limited, Hubli

1. We have audited the attached Balance Sheet of Miven Machine Tools Limited, Hubli as at 31st March 2010, the Profit and Loss Account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 ("the order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
 - a. We have relied on the representation of the Management that the amount due from a customer referred to in note 1(c) of Schedule R of Rs.14.58 lakhs are good of recovery and no provision is required in respect of claims made by the customer of Rs.73.49 lakhs. Pending completion of legal proceedings and in view of uncertainties involved, we are unable to form any opinion on the matter. Effect of any shortfall in provision for doubtful debts due to the above on the financial statements is not ascertainable.
 - b. Without qualifying our report attention of the members is invited to Note number 3 of Schedule R regarding reasons for preparing the financial statements of the company on going concern basis, notwithstanding the fact that its network is completely eroded. The appropriateness of the said basis is interalia dependent on the Company's ability to execute sale orders and the support of the company's Bankers and the Holding Company. We have also relied on the representation of the Company in this respect.
 - c. Without qualifying our report we draw attention to

Note 6 of Schedule R regarding purchases to an extent of Rs. 477,108 for the year under report and cumulatively Rs. 627,773 and Sales to an extent of Rs. 3,240,553 and cumulatively Rs. 47,12,227 from a company in which a director is interested is subject to the approval of Central Government under section 297 of the Companies Act, 1956.

5. Further to our comments in the Annexure referred to above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, Profit and Loss account and cash flow statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Profit & Loss Account and cash flow statement dealt with by this report comply in all material aspect with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from the directors, as on 31st March 2010 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with the notes give the information required by the Companies Act, 1956, in the manner so required and subject to para 4(a) above, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of the balance sheet, of the state of affairs of the Company as at 31.3.2010; and
 - ii. In the case of the profit and loss account, of the loss for the year ended on that date;
 - iii. In the case of cash flow statement, of the cash flows for the year ended on that date

For B. K. Ramadhyani & Co.,

Chartered Accountants

Firm Reg. No.002878S

(C.R.KRISHNA)

Partner

Membership No.27990

B.K.Ramadhyani & Co.,

Chartered Accountants

4B, Chitrapur Bhavan,

8th Main, 15th Cross,

Malleswaram,

BANGALORE - 560 055

For Miven Machine Tools Ltd.

Place: Hubli

Date: 6th August 2010

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V. N. Hasalkar
Company Secretary

ANNEXURE TO AUDITORS' REPORT

(As referred to in para 3 of our report to the Members of Miven Machine Tools Ltd., Hubli)

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b. The fixed assets have been physically verified by the management during the year as per the programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
c. During the year, there has been no sale/disposal of fixed assets, therefore para 4(1)(c) of the Order is not applicable.
2. a. Inventories other than those lying with third parties have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory in respect of Raw materials and Components, Finished Goods and material with third parties. Work in Progress at the factory is as per physical inventory. Material with third parties included in Raw material and Components are subject to confirmation to an extent of Rs.2.77 lakhs. The discrepancies noticed on verification between the physical stocks and book records other than work-in-progress at the factory were not material. Discrepancies in respect of work in progress are not ascertainable.
3. a. To the best of our knowledge, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, sub clauses (b), (c) and (d) of the order are not applicable.
b. In our opinion, the rate of interest and other terms and conditions on which loan of Rs.93.87 Lakhs, including 34.87 lakhs taken during the year, from the holding Company, a party covered in the register maintained under Section 301 of the Companies Act, 1956 and outstanding as at the balance sheet date are not, prima facie, prejudicial to the interests of the company. There are no stipulation for repayment of loan, however there were delay/s in payment of interest in certain months and was in arrears to the extent of Rs. 2.11 lakhs as at the end of the year.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. a. According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
b. According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time. However, these materials are customised to the requirements of the Company and there are no similar transactions with third parties to confirm the same.
6. The Company has not accepted any deposits from public, hence in our opinion, the provisions of Section 58A and 58AA and the Companies Act, 1956 and the Rules made there under are not applicable. Accordingly, provisions of paragraph (vi) are not applicable.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under clause (d) of subsection (1) of Sec.209 of Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records to determine whether they are accurate or complete.

ANNEXURE TO AUDITORS' REPORT (Contd...)

(As referred to in para 3 of our report to the Members of Miven Machine Tools Ltd., Hubli)

9. a. According to the information and explanation given to us there are delays in some months in depositing with appropriate authorities undisputed statutory dues relating to Employee Provident Fund, Employees' State Insurance, Income Tax deducted at Source, Service Tax and Property Tax. However, there were no material delay in remittance of value added tax, Excise duty & sales tax or other applicable statutory dues of material value. According to the information and explanations given to us, remittances to Investor Education and Protection Fund, Customs duty and Wealth Tax are not applicable. To the best of our knowledge and according to the Company, Cess payable under Section 441A of the Companies Act, 1956 has not been notified, consequently the company has neither provided nor paid the same.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Provident Fund, Investor Protection Fund, Employees State Insurance, Customs Duty, Excise Duty, Service Tax, Cess or other statutory dues of material value were in arrears, as at 31.3.2010 for a period of more than six months from the date on which they became payable. However Property Tax payable to Local Authorities, amounting to Rs. 3.18 Lakhs has not been remitted as referred to in Note 1 (e), Schedule R of the accounts.
- c. According to the information and explanations given to us, there are no dues in respect of Sales Tax, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute. As detailed in note 1 (e) of schedule R property tax and penalty relating to prior years amounting to Rs. 1,69,87,774/- has not been provided or deposited pending finalisation of the matter.
10. In our opinion, the accumulated losses of the Company are more than fifty percent of its net worth. The Company has incurred cash losses of Rs.78.72 lakhs in respect of year under report and Rs. 74.85 lakhs in respect of the preceeding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of term loan to a bank. There are no loans from financial institutions or debentures.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of paragraph 4(xiii) of the Order are not applicable to the Company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of paragraph 4(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us and in our opinion, the term loan taken from the bank during the year was utilised for the purpose for which the same was taken. Therefore, the provisions of paragraph 4(xvi) of the Order are not applicable to the company.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet and cash flows of the Company, we report that funds raised on short-term basis have not been used for long term investment during the year.
18. The Company has not made any issue of capital during the year and hence provision of paragraph 4(xviii) of the Order regarding preferential allotment are not applicable.
19. According to the information and explanations given to us, there are no debentures issued by the company and hence provisions of paragraph 4(xix) of the Order regarding creation of securities are not applicable.
20. There were no public issues during the year and hence provisions of paragraph 4(xx) of the Order regarding end use of money are not applicable.
21. According to the information and explanations given to us, no fraud on or by the company during the year has been noticed or reported during the course of our audit.

For B. K. Ramadhyani & Co.,

Chartered Accountants

Firm Reg. No.002878S

(B. KRISHNA)

Partner

Membership No.27990

Place: Hubli

Date: 08 August 2010

B.K.Ramadhyani & Co.,

Chartered Accountants

4B, Chitrapur Bhavan,

8th Main, 15th Cross,

Malleshwara,

BANGALORE - 560 055

For Miven Machine Tools Ltd.

CERTIFIED TRUE COPY

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V. M. Hasalkar
V. M. Hasalkar
Company Secretary

BALANCE SHEET**AS AT 31ST MARCH, 2010**

	Schedule	Rs.	AS AT 31ST MARCH, 2010 Rs.	AS AT 31ST MARCH, 2009 Rs.
I. SOURCES OF FUNDS :				
SHAREHOLDERS' FUNDS				
Share Capital	A	30,035,000		30,035,000
Reserves and Surplus	B	1,527,500		1,527,500
			31,562,500	31,562,500
LOAN FUNDS				
Secured Loans	C		41,513,237	37,506,133
Unsecured Loans	D		9,387,368	6,000,000
TOTAL			82,463,105	75,068,633
II. APPLICATION OF FUNDS :				
FIXED ASSETS				
Gross Block	E	40,773,113		40,773,113
Less : Depreciation to date		24,275,586		22,825,059
Net Block			16,497,527	18,148,054
INVESTMENTS				
	F		50,000	50,000
CURRENT ASSETS, LOANS & ADVANCES				
Inventories	G	25,605,284		36,619,215
Sundry Debtors	H	7,894,666		4,705,614
Cash and Bank Balances	I	1,446,806		1,381,031
Loans and Advances	J	4,054,438		6,119,914
		39,001,194		48,825,774
LESS : CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities	K	27,935,659		37,063,762
Provisions	L	1,965,780		2,185,060
		29,901,439		39,248,822
NET CURRENT ASSETS			9,099,755	9,576,952
PROFIT AND LOSS ACCOUNT			56,815,823	47,293,627
TOTAL			82,463,105	75,068,633
NOTES AND ADDITIONAL INFORMATION				
SIGNIFICANT ACCOUNTING POLICIES	R			
BALANCE SHEET ABSTRACT AND	S			
COMPANY'S GENERAL BUSINESS PROFILE	T			

Foot Note :

Schedules referred to above and the Notes attached form an integral part of the Balance Sheet.

In accordance with our Report attached

For **B K RAMADHYANI & Co.**
Chartered Accountants
Firm Regn. No. 002878S.**CERTIFIED TRUE COPY**For Miven Machine Tools Ltd.
herein.

Signed pursuant to the provisions of Section 215 of the Companies Act, 1956, in authentication of this Balance Sheet, Notes thereon and the Schedules referred to

C R KRISHNA
PartnerPlace : Hubli
Date : 6th August, 2010**V. N. Hasalkar**
Company Secretary**Vikram Sirur**
Chairman**A R Menon**
Executive Director**V N Hasalkar**
Company Secretary

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	Current Year Rs.	Previous Year Rs.
INCOME :			
Sales (Including Excise Duty)		49,241,333	58,150,979
Less : Excise Duty		3,007,275	6,409,690
Net Sales		46,234,058	51,741,289
Other Services Receipts		1,721,211	1,134,455
Other Income	M	587,300	848,487
TOTAL		48,542,569	53,724,231
EXPENDITURE :			
Material Consumed	N	29,168,212	31,440,608
Operating and Other Expenses	O	11,027,375	11,987,154
Payment and Provision for Employees	P	8,744,267	10,407,379
Financial Charges	Q	7,474,384	7,054,903
Depreciation on Fixed Assets		1,650,527	1,897,638
TOTAL		58,064,765	62,787,682
Profit / (Loss) for the year before tax		(9,522,196)	(9,063,451)
Less: Provision for Fringe Benefit tax			320,000
Profit / (Loss) after Tax		(9,522,196)	(9,383,451)
Less : Charge on account of transitional provisions for Gratuity under Accounting Standard 15			(341,038)
Add / Less : Profit / (Loss) brought forward from previous year		(47,293,627)	(38,251,214)
Profit / (Loss) Carried over to Balance Sheet		(56,815,823)	(47,293,627)
Earning Per Share (Basic and diluted) (Rs.)		(3.17)	(3.12)
Face Value of Share (Rs.)		10.00	10.00

NOTES AND ADDITIONAL INFORMATION
SIGNIFICANT ACCOUNTING POLICIES
BALANCE SHEET ABSTRACT AND
COMPANY'S GENERAL BUSINESS PROFILE

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Foot Note :

Schedules referred to above and the Notes attached form an integral part of the Profit and Loss Account.

In accordance with our Report attached herewith, we certify that the above Profit and Loss Account, Notes thereon and the Schedules referred to therein, are true and correct, and conform to the provisions of Section 215 of the Companies Act, 1956, in authentication of this Profit & Loss Account, Notes thereon and the Schedules referred to therein.

C R KRISHNA
Partner

Place : Hubli
Date : 6th August, 2010

CERTIFIED TRUE COPY
For Miven Machine Tools Ltd.
V. N. Hasalkar
Company Secretary

Vikram Sirur
Chairman

A R Menon
Executive Director

V N Hasalkar
Company Secretary

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2010

	AS AT 31ST MARCH, 2010 Rs.	AS AT 31ST MARCH, 2009 Rs.
A) CASH INFLOW FROM OPERATING ACTIVITIES :		
NET (LOSS)/PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	(9,522,196)	(9,063,451)
ADJUSTMENTS FOR :		
DEPRECIATION FOR THE YEAR AND ADJUSTMENTS	1,650,527	1,897,638
INTEREST INCOME	(45,856)	(124,723)
DIVIDENDS	(7,500)	(7,500)
INTEREST EXPENSE	6,953,250	6,652,628
PROFIT ON SALE OF FIXED ASSET	-	(30,118)
EXCHANGE FLUCTUATION (NET)	2,284	(49,646)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES AND ADJUSTMENTS FOR :	(969,491)	(725,172)
(INCREASE) / DECREASE IN TRADE AND OTHER RECEIVABLES	(1,342,166)	12,286,826
(INCREASE) / DECREASE IN INVENTORIES	11,013,931	(8,721,424)
INCREASE / (DECREASE) IN TRADE PAYABLES	(9,042,008)	(210,199)
CASH GENERATED FROM OPERATIONS	(339,734)	2,630,031
DIRECT TAXES (PAID) / REFUNDED	(86,785)	(173,337)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	(426,519)	2,456,694
EXTRAORDINARY ITEMS - GRATUITY PROVISION (AS 15)	-	341,038
NET CASH FLOW FROM OPERATING ACTIVITIES	(426,519)	2,797,732
B) CASH FLOWS FROM INVESTING ACTIVITIES :		
PURCHASE OF FIXED ASSETS	-	(782,068)
SALE OF FIXED ASSETS	-	195,000
INTEREST INCOME	45,856	124,723
DIVIDENDS	7,500	7,500
NET CASH FLOW FROM INVESTING ACTIVITIES	53,356	(454,845)

CASH FLOW STATEMENT (Contd...)**FOR THE YEAR ENDED 31ST MARCH, 2010**

	AS AT 31ST MARCH, 2010 Rs.	AS AT 31ST MARCH, 2009 Rs.
C) CASH FLOW FROM FINANCING ACTIVITIES :		
INCREASE / (DECREASE) IN CASH CREDIT LOAN	(3,515,910)	6,646,602
LOAN TAKEN FROM N A SIRUR(HUBLI) PVT. LTD. THE HOLDING COMPANY	3,387,368	4,000,000
PROJECT LOAN TAKEN	7,523,014	
REPAYMENT OF TERM LOAN	--	(8,114,124)
INTEREST PAID	(6,953,250)	(6,652,628)
EXCHANGE FULCTUATION (NET)	(2,284)	49,646
NET CASH FLOW FROM FINANCING ACTIVITIES	<u>438,938</u>	<u>(4,070,504)</u>
D) NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	65,775	(1,727,617)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,381,031	3,108,648
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,446,806	1,381,031

- Note: 1. Previous figures are regrouped wherever necessary.
 2. Cash & Cash equivalents represents cash in hand & Bank balances.
 3. Cash & Cash equivalents include Rs. 346,926/-, held as margin money against outstanding Bank guarantees

As per our Report attached
 For **B K RAMADHYANI & CO.**
 Chartered Accountants
 Firm Regin. No. 002878S.

CERTIFIED TRUE COPY and on behalf of the Board
 For **Miven Machine Tools Ltd.**

C R KRISHNA
 Partner


V. N. Hasalkar
 Company Secretary

Vikram Sirur
 Chairman

A R Menon
 Executive Director

V N Hasalkar
 Company Secretary

Place : Hubli
 Date : 6th August, 2010

SCHEDULES**FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010**

	AS AT 31ST MARCH, 2010 Rs.	AS AT 31ST MARCH, 2009 Rs.
SCHEDULE - A		
SHARE CAPITAL		
Authorised :		
5,000,000 Equity Shares of Rs.10/- each	50,000,000	50,000,000
 Issued, Subscribed and Paid-up		
3,003,500 Equity Shares of Rs.10/- each	30,035,000	30,035,000
Note: Number of Equity Shares held by the holding Company, N A Sirur (Hubli) Pvt Ltd., Hubli - 2,588,150 (2,588,150)		
	<u>30,035,000</u>	<u>30,035,000</u>
 SCHEDULE - B		
RESERVES & SURPLUS		
Capital Reserve	1,527,500	1,527,500
	<u>1,527,500</u>	<u>1,527,500</u>
 SCHEDULE - C		
SECURED LOANS		
From the Shamrao Vithal Co-operative Bank Ltd.:		
Cash Credit Account	13,752,085	37,506,133
Working Capital Term Loan - SVC	20,238,138	-
Project Loan-SVC	7,523,014	-
	<u>41,513,237</u>	<u>37,506,133</u>
 SCHEDULE - D		
UNSECURED LOANS		
Inter Corporate Deposit [N A Sirur (Hubli) Pvt. Ltd., the Holding Company]	9,387,368	6,000,000
	<u>9,387,368</u>	<u>6,000,000</u>

SCHEDULES**FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010****SCHEDULE - E
FIXED ASSETS**

DESCRIPTION	COST				DEPRECIATION				NET BLOCK	
	As at 01.04.2009	Additions	Deductions	As at 31.03.2010	Upto 01.04.2009	For the year 2009-10	Withdrawn during the year	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a) Free Hold Land	2,858,990	-	-	2,858,990	-	-	-	-	2,858,990	2,858,990
b) Factory Building	14,221,218	-	-	14,221,218	8,978,350	474,989	-	9,453,339	4,767,879	5,242,868
c) Plant and Machinery	15,319,390	-	-	15,319,390	8,221,152	474,732	-	8,695,884	6,623,506	7,098,238
d) Furniture and Fittings	1,161,688	-	-	1,161,688	463,660	48,026	-	511,686	650,002	698,028
e) Office Equipments	890,375	-	-	890,375	492,270	39,407	-	531,677	358,698	398,105
f) Factory Equipments	1,535,217	-	-	1,535,217	1,105,446	61,038	-	1,166,484	368,733	429,771
g) Electrical Installations	986,240	-	-	986,240	896,998	11,378	-	908,376	77,864	89,242
h) Jigs and Fixtures	1,190,476	-	-	1,190,476	1,036,750	43,646	-	1,080,396	110,080	153,726
i) Computers and Printers	1,473,420	-	-	1,473,420	912,670	337,224	-	1,249,894	223,526	560,750
j) Vehicles	1,136,099	-	-	1,136,099	517,763	160,087	-	677,850	458,249	618,336
TOTAL	40,773,113	-	-	40,773,113	22,625,059	1,650,527	-	24,275,586	16,497,527	18,148,054
	(41,010,160)	(782,068)	(1,019,115)	(40,773,113)	(21,581,654)	(1,897,638)	(854,233)	(22,625,059)		

NOTE: 1) In respect of land at Tarihal, Hubli change in name from Giddings and Lewis India Ltd. to Miven Machine Tools Ltd. is yet to be given effect in the Municipal records. 2) Amounts in paranthesis relate to previous year.

AS AT 31ST MARCH, 2010 Rs.	AS AT 31ST MARCH, 2009 Rs.
----------------------------------	----------------------------------

SCHEDULE - F**INVESTMENTS****LONG TERM INVESTMENTS (At Cost)****(Non trade, Unquoted)**

2,000 Equity Shares of Rs.25/- each fully paid-up
in The Shamrao Vithal Co-op Bank Ltd.,

50,000	50,000
50,000	50,000

SCHEDULE - G**INVENTORIES**

a) Raw materials and components	15,206,530	18,432,366
b) Stores and Spares	826,871	962,446
c) Materials-in-transit	364,402	761,314
d) Work-in-process	9,207,481	16,463,089
	25,605,284	36,619,215

SCHEDULES**FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010**

	AS AT 31ST MARCH, 2010 Rs.	AS AT 31ST MARCH, 2009 Rs.
SCHEDULE - H		
SUNDRY DEBTORS		
Sundry Debtors (Unsecured and considered good)		
a) Outstanding for a period exceeding six months	1,602,588	4,464,969
b) Other debts**	6,292,078	240,645
	<u>7,894,666</u>	<u>4,705,614</u>
** Includes amount due from a Company in which Directors are interested Rs. 41,327/- (nil) Maximum amount due during the years Rs. 1,059,418/- (1,568,395)		
SCHEDULE - I		
CASH & BANK BALANCES		
a) Cash on hand	8,873	17,997
b) Balances with scheduled Banks in Current Accounts {includes Rs. Nil (Nil) relating to unpaid dividends}	1,074,280	626,493
c) Balances with scheduled Banks in term deposits (held by banks as margin money)	346,926	693,993
d) Interest accrued but not due on deposits	16,727	42,548
	<u>1,446,806</u>	<u>1,381,031</u>
SCHEDULE - J		
LOANS AND ADVANCES		
(Unsecured and considered good)		
a) Advance recoverable in cash or in kind or for value to be received	3,174,298	3,584,919
b) Balance with Central Excise Authorities	78,311	1,514,576
c) Deposits	254,375	254,375
d) Advance Tax	547,454	766,044
	<u>4,054,438</u>	<u>6,119,914</u>
	<u>39,001,194</u>	<u>48,825,774</u>
CURRENT LIABILITIES AND PROVISIONS		
SCHEDULE - K		
CURRENT LIABILITIES		
Sundry Creditors for purchases		
a) Dues to Micro Small & Medium Size Enterprises.**	2,152,555	3,473,211
b) Dues to other than Small Scale Industrial Undertakings	16,105,946	22,837,777
Advance from Customers	9,406,993	10,288,062
Other liabilities	270,165	464,712
	<u>27,935,659</u>	<u>37,063,762</u>
** As is identified from the records of the company.		
SCHEDULE - L		
PROVISIONS		
For Fringe Benefit Tax	635,000	940,375
For Gratuity	971,635	691,889
For Leave Encashment	359,145	552,796
	<u>1,965,780</u>	<u>2,185,060</u>
	<u>29,901,439</u>	<u>39,248,822</u>

SCHEDULES**FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

	Current Year Rs.	Previous Year Rs.
SCHEDULE - M		
OTHER INCOME :		
a. Excess provision for expenses written back	77,338	15,148
b. Excess provision for Gratuity/Leave encashment written back	354,297	594,000
c. Dividend from Bank - Non trade long term investment	7,500	7,500
d. Interest received from Banks	45,856	122,551
e. Interest received from Others	-	2,172
f. Exchange fluctuation	-	63,599
g. Miscellaneous receipts	102,309	13,399
h. Profit on sale of assets	--	30,118
	<u>587,300</u>	<u>848,487</u>
SCHEDULE - N		
MATERIAL CONSUMED :		
Raw Materials and components	16,696,733	31,797,515
Stores and Spares	1,033,501	1,856,822
	<u>17,730,234</u>	<u>33,654,337</u>
(Increase) / Decrease in value of stocks of finished goods and work-in-process		
OPENING STOCK :		
Work-in-process	16,463,089	9,412,961
Finished goods	--	--
	<u>16,463,089</u>	<u>9,412,961</u>
LESS : CLOSING STOCK :		
Work-in-process	9,207,481	16,463,089
Finished goods	--	--
	<u>9,207,481</u>	<u>16,463,089</u>
Manufacturing Expenses	4,182,370	4,836,399
	<u>21,912,604</u>	<u>38,490,736</u>
	<u>7,255,608</u>	<u>(7,050,128)</u>
	<u>29,168,212</u>	<u>31,440,608</u>

SCHEDULES

FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Current Year Rs.	Previous Year Rs.
SCHEDULE - O		
OPERATING AND OTHER EXPENSES		
Power and fuel	900,484	1,162,766
Repairs and Maintenance		
Building	--	35,970
Machinery	92,239	216,637
Furniture	--	299,990
Others	123,463	249,328
	215,702	801,925
Technical and Professional Charges	716,052	622,776
Freight and transportation	440,098	900,225
Duty, Rates and Taxes	928,902	250,985
Insurance	88,468	175,620
Travelling and conveyance expenses		
Directors	303,642	145,149
Others	2,181,354	2,084,878
	2,484,996	2,230,027
Auditors' Remuneration		
Audit fees	65,000	65,000
Taxation matters	57,000	57,000
Consultancy fees	28,000	28,000
Out of pocket expenses	11,265	16,372
	161,265	166,372
Security expenses	733,119	771,178
Directors' sitting fees	25,000	40,000
Selling expenses	2,012,705	1,110,882
Vehicle Maintenance	186,901	216,534
Printing and Stationery	153,758	276,400
Communication charges	444,512	548,291
Miscellaneous Expenses	584,853	1,369,721
Bad debts written off	--	56,875
Liquidated damages	948,276	1,051,524
IMTEX Exhibition Expenses	--	221,100
Loss on Exchange fluctuation	2,284	13,953
	11,027,375	11,987,154

SCHEDULES

FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Current Year Rs.	Previous Year Rs.
SCHEDULE - P		
PAYMENT & PROVISION FOR EMPLOYEES		
Salaries and Wages	5,652,439	6,398,570
Remuneration to E V C	395,423	395,423
Remuneration to E D	916,679	900,846
Contribution to Provident and Other Funds	1,132,430	1,496,958
Interest shortfall paid to the OPF trust	-	36,413
Workmen and Staff Welfare Expenses	647,296	1,179,169
	8,744,267	10,407,379
SCHEDULE - Q		
FINANCIAL CHARGES		
Interest On Fixed Loans	2,622,213	660,924
Interest to Holding Company	1,173,373	299,233
Interest On Borrowings and others	3,157,664	5,692,472
Bank Charges	521,134	402,275
	7,474,384	7,054,903

SCHEDULES

**FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

SCHEDULE 'R'

NOTES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

1. Contingent Liabilities:

- a) Counter guarantees given to the bankers for guarantees given by them on behalf of the company **Rs.21,28,775** (Rs.45,22,693).
- b) Claim by former employees/casual workers pending before Courts - Estimated **Rs.84,331** (Rs.1,973,418).
- c) The Company has considered an amount of **Rs.1,457,586** (Rs.1,457,586) due from a customer as good of recovery in respect of which the customer has made claim of Rs.7,348,629 for which no provision is made since the matter is pending in court. The company is confident of recovering the dues and that the claim of the customer will not stand.
- d) Liability in respect of pending fringe benefit tax, sales tax and entry tax assessments – not ascertainable.
- e) The company's premise is located at Tarihal Industrial Area, Tarihal, Hubli, which was earlier covered under the jurisdiction of Rainal Mandal Panchayat. Subsequently, Rainal Mandal panchayat was merged with Hubli Dharwad Municipal Corporation (H D M C), Hubli. Since KIADB had not fully developed this Industrial Estate, it has not handed over the same to H D M C. As such, they were collecting annual maintenance charges. The company has been regular in making the payment of annual maintenance charges to KIADB till 2007-08. H D M C has claimed **Rs.1,69,87,774/-** (Rs. 1,56,18,695/-) towards tax including penalty of **Rs. 89,04,804/-** (Rs. 69,71,236/-) for the period from 1995 to 2008. However, for the year under report property tax of **Rs. 87,498/-** (Rs.59,885/-) has been paid to H D M C as per the terms of H D M C for the relevant year. The matter relating to the payment of property tax for the years prior to 2008-09 is disputed through the Greater Hubli-Dharwad Industrial Association and the matter is pending before the Government of Karnataka. The company is confident that the claim relating to prior years will be withdrawn and will not be payable. Consequently no provision has been made for the said demand. However and as a matter of abundant precaution, tax amount based on past demands of the Mandal Panchayat which has been provided in prior years to an extent of **Rs. 317,972** (Rs.317,972) though not paid is retained in the books of account.

Outflow of resources on the above can be determined at the time of settlement of disputes/claim.

2. Loan from The Shamrao Vithal Co-op Bank Ltd., Koppikar Road, Hubli is secured by hypothecation of all present and future goods, book debts, receivables and all other moveable assets. The loan is also guaranteed by corporate guarantee of M/s. N A Sirur (Hubli) Pvt. Ltd. Hubli and personal guarantee of a director. The loan is also secured by charge on immovable properties of the company i.e., Land and Building by deposit of title deeds with the bank and existing unencumbered plant and machineries.
3. Considering the business plans made by the Company, orders on hand, recognition of product mix and with continued support from the Bankers and the holding company, including proposal for reduction of interest rate, the Company expects to recover from the losses. According to the Company and considering all the facts and not withstanding the erosion of net worth the assumption of 'Going Concern' is not vitiated.

SCHEDULES

FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

4. Remuneration to key Managerial Personnel is as follows.

Particulars	Current Year (Rs.)			Previous Year (Rs.)		
	Executive Chairman	Executive Director	Company Secretary	Executive Vice Chairman	Executive Director	Company Secretary
Salary - Basic	300,000	600,000	156,000	300,000	600,000	144,000
House Rent Allowance	—	60,000	—	—	60,000	—
Medical Expenses	—	50,000	—	—	50,000	—
Employer's Contribution to Provident Fund	36,000	72,000	—	36,000	72,000	—
Contribution to Superannuation Fund	45,000	90,000	—	45,000	90,000	—
Leave Encashment Provision	—	15,833	—	—	—	—
Gratuity Provision	14,423	28,846	—	14,423	28,846	—
T O T A L	395,423	916,679	156,000	395,423	900,846	144,000

NOTES:

- a. remuneration as above is as per the limits specified under Schedule XIII to the Companies Act, 1956. In view of the loss, computation of profits under Section 198 read with Section 349 of the Companies Act, 1956 is not applicable.
5. Confirmation of balances from certain sundry debtors and sundry creditors have been called for and awaited. The company does not expect any material variation in respect of these accounts.
6. The company has made purchases from a private company in which a director is interested, for the year under report to an extent of Rs. 477,108/- (150,665/-) and cumulatively Rs.627,773/- and sales to the extent of Rs. 3,215,553/- (1,471,674/-) and cumulatively Rs. 4,687,227/- after the expiry period of the approval u/s 297 of the Companies Act, 1956. The company has made an application before the expiry date to the Central Government for extension and enhancement of the limits. The approval is awaited.
7. Value of imports - calculated on CIF basis
- Components and spare parts **Rs. 233,558** (Rs.1,993,114)
8. Expenditure in foreign currency : **Rs. Nil** (Rs.Nil)
9. Revenue expenditure on Research & Development **Rs. 489,650** (Rs.470,357)
(Included in their natural heads of account)
10. Value of imported and indigenous raw materials, Components, stores and spares consumed:

RAW MATERIALS & COMPONENTS :

	Value Rs.	%	Value Rs.	%
Imported	756,474	4.27	(4,450,179)	(13.22)
Indigenous	15,940,259	89.90	(27,347,336)	(81.26)
STORES AND SPARES :				
Imported	NIL	NIL	(NIL)	(NIL)
Indigenous	1,033,501	5.83	(1,856,822)	(5.52)
	17,730,234	100.00	(33,654,337)	(100.00)

SCHEDULES

FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

11. Value of Raw Materials and Components consumed :

	Unit of Measurement	Qty.	Value Rs.	Qty.	Value Rs.
CNC package with drives and motors	Nos.	8	5,684,513	14	8,025,720
Base	Nos.	8	1,307,547	14	1,403,153
Way Block	Nos.	8	1,284,800	14	1,975,510
Raw Materials*			3,491,842		616,642
Components & Other Materials*			4,928,031		19,776,490
Total			16,696,733		31,797,515

*Only money value furnished as the items are numerous and it is not possible to furnish quantitative particulars thereof.

12. Capacities and Production :

Class of goods

Metal Cutting including Grinding Machines

	Capacities (Nos.)	
	Installed	Production
	50*	9
	(50)	(13)

*As certified by the Management

13. Details in respect of Turnover :

Metal cutting including Grinding Machines

Spares for Re-manufacturing Machine

Other Spares

Total

	Qty. (Nos.)	Value (Rs.)
	09	38,656,378
	(13)	(51,342,709)
	-	Nil
	(-)	(Nil)
		10,584,955
		(6,808,270)
Total		49,241,333
		(58,150,979)

14. Opening and Closing Stock of Finished Goods:

Metal Cutting including Grinding Machines

	Opening Stock		Closing Stock	
	Qty (Nos.)	Value (Rs.)	Qty (Nos.)	Value (Rs.)
	—	—	—	—
	(—)	(—)	(—)	(—)

SCHEDULES

**FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

15. Micro, Small and Medium Enterprises :

Sl.No.	Particulars	Amount in Rs.
A	Principal amount remaining unpaid as at March 31, 2010	1,277,381 (2,880,695)
B	Interest due thereon remaining unpaid on March 31, 2010	875,174 (592,316)
C	The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed date during each accounting year - Amount of payment made beyond appointed date Amount of interest paid there on.	243,538 (426,685) Nil (Nil)
D	The amount of interest due and payable for the period of delay in making payment without adding specified interest.	Nil (Nil)
E	The amount of interest accrued and remaining unpaid on March 31, 2010	875,174 (592,316)
F	Interest disallowable under Income Tax Act, 1961	282,858 (432,979)

Notes :

The above information has been determined to the extent such parties and other relevant data have been identified by the Company, which has been relied upon by the auditors.

16. Employee Benefits

(a) Defined Contribution Plan :

Contribution to Defined Contribution Plan, recognized as expenses for the year are as under :

	Current Year Rs.	Previous Year Rs.
Employer's contribution to Provident & Pension Fund	669,486	725,042
Employer's contribution to Superannuation Fund	135,000	135,000
Employer - Employee Policy Premium	301,620	602,625

(b) Defined benefit Plans :

i) The employees' gratuity fund scheme and encashment of earned leave is managed by a trust is a defined benefit plan. The Present value of obligation is determined in terms of their entitlement based on the actual completed service at the end of the year. The details are as under:

SCHEDULES

FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Gratuity		Earned Leave	
	Current Year (Rs.)	Previous Year (Rs.)	Current Year (Rs.)	Previous Year (Rs.)
1. Reconciliation of opening and closing balances of the Defined Benefit Obligation :				
Defined benefit obligation at the beginning of the year	1,476,165	2,601,727	NA	NA
Current Service Cost	123,126	112,269		NA
Interest Cost	108,226	121,010		NA
Benefits Paid	(242,671)	(890,919)		NA
Actuarial (gain)/ loss on obligation	271,838	467,116		NA
Reversal	(25,989)	(935,038)		
Defined benefit obligation at the end of the year includes obligation of Rs. 140,624/- (Rs. 97,337/-) not funded or covered by plan asset in respect of Gratuity)	1,710,695	1,476,165	404,567	
2. Reconciliation of opening and closing balance of fair value of the plan assets :				
Fair value of the plan assets at the beginning of the year	784,276	1,319,721	41,672	
Expected return on plan assets	62,798	67,458	3,750	
Employer Contribution-Prior period adjustment	134,657	188,034	-	
Benefits paid	(242,671)	(790,937)	-	
Fair value of the plan assets at the end of the year	739,060	784,276	45,422	
3. Reconciliation of fair value of assets and obligations :				
Fair value of plan assets	739,060	784,276	45,422	
Present value of obligation	1,710,695	1,476,165	404,567	
Amount recognized the Balance Sheet	971,635	691,889	359,145	
4. Expense recognized during the year : (Under "Schedule - L" Payment & Provision for employees)				
Current service cost*	123,126	112,287	NA	
Interest cost	108,226	69,018	NA	
Expected return on plan assets	(62,798)	67,458	NA	
Net actuarial (gain)/loss	271,838	467,116	NA	
Expenses recognized in statement of P & L	440,392	632,955	(193,651)	
*Includes Rs. 43,269 not funded or covered by plan asset				
5. The actuarial assumptions made for purposes of determining accrued gratuity to the extent funded/or to be funded are as under :				
Discount rate (per annum)	8%	8%	8%	NA
Rate of escalation in salary (per annum)	7%	3%	5%	NA
6. Actual return on plan assets	9%	9%	9%	NA

Note: Fair value of plan assets above comprises of insurer managed assets of Rs. 7,18,563/- (Rs. 7,84,276) and bank balance of Rs. 20,497/- (Rs. Nil).

ii. The effect of changes in interest cost and actuarial gains/losses etc., in respect of Leave Encashment were not separately identifiable in respect of the previous year. The company has obtained the actuarial valuation report with all relevant details for the years under report.

17. The company has only one business segment viz., Metal Cutting including grinding machines. All sales are

SCHEDULES

**FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

in India. Hence the disclosures required under Accounting Standard 17 dealing with segment reporting are not applicable.

18. Particulars	For the Year ended 31st March, 2010	For the Year ended 31st March, 2009
Net Profit / (Loss) for the year	(-) 9,522,196	(-)9,383,451
No. of Equity Shares of Rs.10/- each	3,003,500	3,003,500
Earnings per share	(-) Rs.3.17	(-)Rs.3.12

19. The company has got deferred tax assets in the form of unabsorbed business losses and depreciation. The same has been recognised only to the extent of the deferred tax liabilities as under :

Deferred Tax Liabilities on account of difference in written down value of fixed assets	Rs.1,757,775 (Rs.2,004,604)
Less : Deferred Tax Assets on account of unabsorbed losses/allowance	Rs.1,757,775 (Rs.2,004,604)

20. a) Key Management Personnel and their Relatives :

Sl No.	Name of the Related Party	Nature of Relationship
1	Mr. Vikram Sirur	Executive Chairman
2	Mrs. Alka Sirur	Related to Executive Chairman
3	Mr. Sandeep Sirur	Related to Executive Chairman
4	Ms. Neelima Parthiv Hejmadi	Related to Executive Chairman
5	Ms. Sheetal Amarnath Savur	Related to Executive Chairman
6	Mr. A.R. Menon	Executive Director
7	Mr. V.N. Hasalkar	Company Secretary

- b) Particulars of Holding Company :

Name of the Related Party	Relationship
N.A. Sirur (Hubli) Pvt. Ltd.	Holding Company

- c) Particulars of Companies :

Sl. No.	Name of the Related Party	Relationship
1	Miven Mayfran Conveyors Pvt. Ltd.,	Enterprises over which key management personnel and their relatives are able to exercise significant
2	Cotmac Pvt. Ltd.,	
3	Cotmac Electronics Pvt. Ltd.,	
4	Cotmac Electronics (Surat) Pvt. Ltd.,	
5	Cotmac Infotech Pvt. Ltd.,	
6	Cotmac Telecom Pvt. Ltd.,	
7	Cotmac Electronics (Bangalore) Pvt Ltd.,	
8	Cotmac Gastech Pvt. Ltd.,	
9	Sirsi Weldaids Pvt. Ltd.,	
10	Softech Pvt. Ltd.,	
11	Ruris Tecnal Extraction Systems Pvt. Ltd.,	
12	Mipro International Pvt. Ltd.,	
13	Finearc Systems Pvt. Ltd.,	

PROXY FORM

MIVEN MACHINE TOOLS LIMITED

Regd. Off. : Tarihal Industrial Area, Tarihal
HUBLI 580 026 Karnataka State (India)

LF. No.....

No. of Shares.....

I/We.....
of..... being
member/s of MIVEN MACHINE TOOLS LTD, Hubli appoint.....
.....of.....or failing
him/her.....of.....as my / our proxy in my / our
absence to attend and vote for me / us on my / our behalf, at the 25th Annual General Meeting
of the Company to be held on Wednesday, the 29th September, 2010 at 3.30 P M and any
adjournment thereof.

Signed thisday of 2010.

Please affix
Re.1
Revenue
Stamp

(Signature of the shareholder across the stamp)

NOTE : The duly completed proxy form must be deposited at the Registered Office of
the company not less than 48 hours before the time for holding the meeting.

TEAR HERE

ATTENDANCE SLIP

MIVEN MACHINE TOOLS LIMITED

Regd. Off. : Tarihal Industrial Area, Tarihal
HUBLI 580 026 Karnataka State (India)

(Please complete this Attendance Slip and hand it over at the entrance.)

Name of the Member :L.F. No.....

Name of the Proxy.....

(if Proxy attends instead of the member)

I hereby record my presence at the 25th Annual General Meeting at the Registered Office of the
company at Tarihal Industrial Area, Tarihal, Hubli 580 026 on Wednesday, the 29th September,
2010 at 3.30.p m.

CERTIFIED TRUE COPY
For Miven Machine Tools Ltd.

(Signature of Member / Proxy).....

V. N. Hasalkar
V. N. Hasalkar
Company Secretary

SCHEDULES

FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

DETAILS OF TRANSACTIONS :			
Nature of transactions	Holding Company	Key management personnel and their Relatives	Enterprises in which key management personnel and their relatives are able to exercise significant influence
Interest Paid/Payable	1,173,373 (299,233)	-	-
Inter corporate Deposit Outstanding at the end of the year (Received during the year Rs. 3,487,865(Rs.4,000,000))	9,387,368 (6,000,000)	-	-
Purchase of materials			
Miven Mayfran Conveyors Pvt Ltd, Hubli			477,108 (1,200,367)
Cotmac Electronics (Bangalore) Pvt. Ltd.			24,475 (269,910)
Sale of materials, spares and job work charges			
Miven Mayfran Conveyors Pvt Ltd, Hubli			3,215,553 (4,314,666)
Remuneration	-	1,468,102 (1,440,269)	-
Amount due from Company as at 31.03.2010			
Miven Mayfran Conveyors Pvt Ltd, Hubli			150,767 (494,992)
Others			53,958 (116,702)
Amount due to Company as at 31.03.2010			
Miven Mayfran Conveyors Pvt Ltd, Hubli			41,327 (Nil)

21. Figures of the previous year have been re-grouped wherever necessary to be in conformity with that of current year and are shown in brackets.

SCHEDULES

**FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

SCHEDULE 'S' SIGNIFICANT ACCOUNTING POLICIES

1. ACCRUAL SYSTEM OF ACCOUNTING

- a) The company follows the accrual system of accounting in respect of all items of expenditure except warranty claim and income.
- b) Warranty claims from customers are accounted in the year of claim / settlement. Non-provision for the same on accrual basis is not expected to have a material effect on the account.

2. USE OF ESTIMATES

The preparation of financial statements requires estimation and assumptions to be made that affect reported amount of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in preparation of financial statements are prudent and reasonable. Future results may vary from these estimates.

3. FIXED ASSETS

Fixed assets are stated at cost of acquisition inclusive of freight, duties, taxes and incidental expenses relating to acquisition, installation, erection and commissioning less depreciation.

Internally manufactured assets are valued at cost or estimated market price whichever is lower.

4. INVENTORIES

Raw materials, stores, spare parts and components are valued on the basis of Weighted Average Method after providing for obsolescence. Work-in-process is valued at cost. Finished goods are valued at cost or net realisable value whichever is lower. Cost for the purpose of Work in Process and finished goods include material cost valued as per weighted average method and applicable conversion cost. As per Accounting Standard 2 excise duty on finished goods lying at works is also accounted and provided in the books of account. Materials in transit are valued at cost inclusive of Customs duty and other incidental expenses payable.

5. DEPRECIATION

Depreciation on all assets excepting vehicles is charged on the straight-line method as contemplated in Section 205 (2) (b) of the Companies Act, 1956. Depreciation on vehicles has been charged on the Written Down Value method as contemplated Under Section 205 (2) (a) of the Companies Act, 1956. Depreciation rates are in accordance with Schedule XIV of the Companies Act, 1956 except in respect of computers. Depreciation on computers is charged on straight line method at 33.33% p.a.

6. RESEARCH AND DEVELOPMENT EXPENDITURE

Revenue expenditure in carrying out Research and Development activities is charged to profit & loss account of the year in which it is incurred.

7. REVENUE RECOGNITION

Sale of Machine is recognised on shipment to customers after pre-inspection wherever applicable and includes recovery towards excise duty.

8. BORROWING COST

Interest and other costs in connection with borrowing of funds to the extent related / attributed to the acquisition / construction of qualifying assets are capitalised up to the date when such assets are ready for their intended use and other borrowing costs are charged to profit and loss account.

SCHEDULES

FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

9. FOREIGN CURRENCY TRANSLATION

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transactions. The exchange differences arising on their settlement are dealt with in the Profit and Loss Account. All monetary items denominated in foreign currency are restated at the year-end exchange rate and the differences arising from such restatement are recognised in the Profit and Loss Account.

10. EMPLOYEE BENEFITS

(i) Short Term Employee Benefits :

Employee benefits payable wholly within twelve months of rendering the service are classified as short term. Benefits such as salaries, bonus, exgratia etc. are recognised in the period in which the employee renders the related service.

(ii) Post Employment Benefits :

a) Defined Contribution Plans :

The Company has contributed to Provident, Pension, EDLI and Superannuation Funds which are defined contribution plans. The contribution paid/payable under the scheme to the Regional Provident Fund Commissioner / Life Insurance Corporation of India is recognised during the year in which employee renders the related service. The Company also contributes to the Officers' Provident Fund Trust for a few senior employees in respect of which interest shortfall, if any, is accounted on a year to year basis.

b) Defined Benefit Plans :

Employee's gratuity is defined benefit plan. The present value of the obligation under such plan has been determined based on completed service at the end of the year as per actuarial valuation under projected unit credit method. Actuarial gain / losses are recognized in profit and loss account immediately. Leave encashment a defined benefit plan is provided on accrual basis as per actuarial valuation.

11. TAXES ON INCOME

Provision for current tax is made after considering any excess / short in earlier years. Deferred tax liability on account of timing differences are provided considering the tax rates and the tax laws enacted by the Balance Sheet date. However, deferred tax assets are recognised only if future profits are virtually certain.

12. CONTINGENT LIABILITIES AND PROVISIONS

Financial effect of contingent liabilities is disclosed based on information available upto the dates on which financial statements are approved. However, where a reasonable estimate of financial effect cannot be made, suitable disclosures are made with regard to this fact and the existence and nature of the contingent liability.

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

13. IMPAIRMENT OF ASSETS

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the assets exceeds its recoverable amount, an impairment loss is recognized in the profit & Loss account to the extent the carrying amount exceeds the recoverable amount.

SCHEDULES

FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

SCHEDULE 'T'

NOTES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details		
Registration No.	U29295KA1985PTC007036	State Code 0 8
Balance Sheet Date:	31.03.2010	
II Capital raised during the year (Amount in Rs.thousands)		
	Public Issue	Rights Issue
	Nil	Nil
	Bonus Issue	Private Placement
	Nil	Nil
III Position of Mobilisation and deployment of Funds (Amount in Rs.000's)		
Total Liabilities		Total Assets
82,463		82,463
SOURCES OF FUNDS		
Paid-up Capital		Reserves & Surplus
30,035		1,528
Secured Loans		Unsecured Loans
41,513		9,387
APPLICATION OF FUNDS		
Net Fixed Assets		Investments
16,498		50
Net Current Assets		Misc. Expenditure
9,099		Nil
Accumulated Losses		
56,816		
IV Performance of Company (Amount in Rs.thousands)		
Turnover		Total Expenditure
48,543		58,065
Profit Before Tax (-) Loss		Profit After Tax (-) Loss
(-) 9,522		(-) 9,522
Earning Per Share in Rs.		Dividend Rate %
(-) 3.17		
V Generic Names of Three Principal Products/Services of Company		
Item Code No. 845811 00		
(I T C Code)		
Product description	Horizontal Numerically Controlled Lathes	

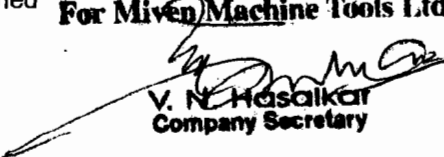
CERTIFIED TRUE COPY

In accordance with our Report attached
For **B K RAMADHYANI & CO.**
Chartered Accountants

For **Miven Machine Tools Ltd.**

Signatories to Schedules A to

C R KRISHNA
Partner


V. N. Hasalkar
Company Secretary

Vikram Sirur
Chairman

A R Menon
Executive Director

V N Hasalkar
Company Secretary

Place : Hubli
Date : 6th August, 2010