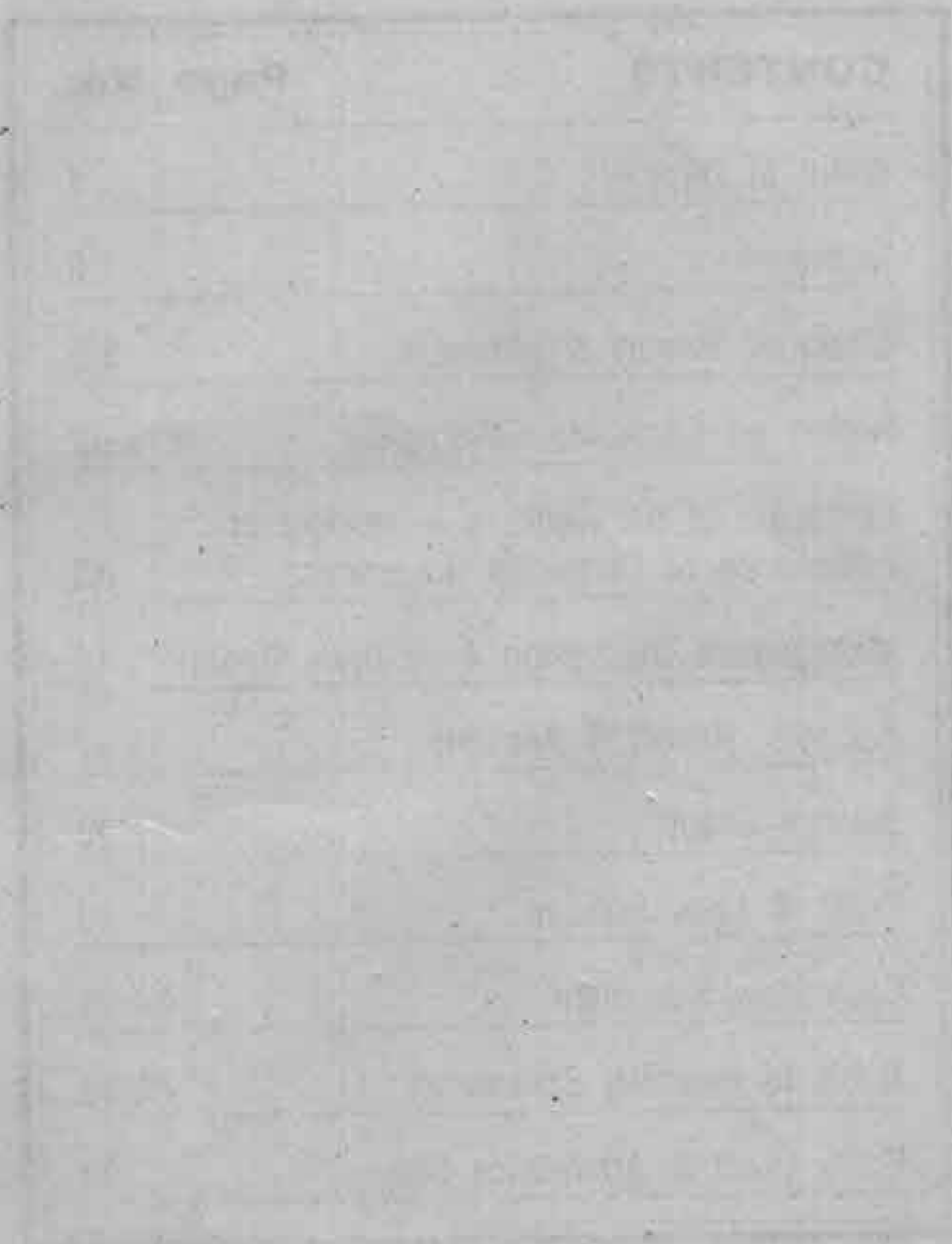


27th Annual Report 2011-2012



MIVEN MACHINE TOOLS LIMITED

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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. RAMADHYANI & 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

MIVEN MACHINE TOOLS LIMITED
(FOR MEMBERS ONLY)

NOTICE

NOTICE is hereby given that the **TWENTY SEVENTH ANNUAL GENERAL MEETING** of 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 Friday, the 28th September, 2012 at 3.30 pm to transact the following business :

AS ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet as at 31st March, 2012, 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. Shyam Sirur, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Mukund Muley, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

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) The Register of Members and Share Transfer Books will remain closed from 25th September, 2012 to 28th September, 2012 (both days inclusive).
- 3) Members are requested to notify changes in their addresses to the company immediately.
- 4) Members, who are holding shares in identical order of names in more than one folio, are requested to write to the company enclosing their shares certificate to consolidate these holdings into one folio.
- 5) Members seeking information are requested to sent their queries, if any, at an early date, so as to enable the management to keep the information ready.
- 6) Important communication for shareholders :

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

Dated : 13th August, 2012

The Ministry of Corporate Affairs has issued Circular No.17/2011 dated 21-04-2011 and 18/2011 dated 29-04-2011 stating that the services of documents by a Company can be made through electronic mode. These Circulars have been issued in pursuance of "Green Initiative in Corporate Governance" taken by Ministry of Corporate Affairs. Keeping in view the above Circulars, it is proposed to send documents by email to the registered email IDs of the members, Hence, members are requested to register their email IDS with the company.

- 7) A brief resume of the directors proposed to be re-appointed vide ordinary business Nos. 2 and 3 in the notice are as follows :

SHYAM SIRUR

Shyam Sirur (64) holds a degree in B.E. (Elect.). He has about 42 years of experience in the field of electronics. He is the Executive Chairman of Cotmac Electronics Pvt. Ltd., Director of Cotmac Pvt. Ltd., Cotmac Electronics (Surat) Pvt. Ltd., Cotmac Telecom Pvt. Ltd., Cotmac Infotech Pvt. Ltd., Sunny Weld Pvt. Ltd., Mipro International Pvt. Ltd., N.A. Sirur (Hubli) Pvt. Ltd., Cotmac Gastech Pvt. Ltd., Sibella Pvt. Ltd., Cotmac Synergy Pvt. Ltd., Softech Controls Pvt. Ltd., Sibella Technologies (Pvt.) Ltd., Cotmac Industrial Trading Pvt. Ltd., Cotmac Precision Casting Pvt. Ltd., and Cotmac DTM EXIM Pvt. Ltd. He is also the Chairman of the Remuneration Committee and member of the Audit Committee of the Company.

MUKUND MULEY

Mukund Muley (46) holds a 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., and Director of Cotmac Electronics (Surat) Pvt. Ltd., Cotmac Telecom Pvt. Ltd., Cotmac Infotech Pvt. Ltd., Cotmac Synergy Automation Pvt. Ltd., Cotmac Gastech Pvt. Ltd., Softek Controls Pvt. Ltd., Cotmac Clasitech Singapore Pte. Ltd., Cotmac Precision Casting Pvt. Ltd., and Cotmac DTM EXIM Pvt. Ltd., and Proprietor of M & M Floriculture; Prerana Industries (Nashik) and Symo Patterns (Nashik). Mukund Muley is a member of the Remuneration Committee of the Company.

By order of the Board
for **MIVEN MACHINE TOOLS LTD.**

V. N. HASALKAR
Company Secretary

DIRECTORS' REPORT

To

The Members,

Your Directors wish to submit their 27th Annual Report and Audited Accounts for the year ended 31st March, 2012.

	(Rs. in lakh)	
FINANCIAL RESULTS :	<u>Year ended</u> 31.03.2012	<u>Year ended</u> 31.03.2011
Gross Income	932.94	624.50
Less : Excise Duty	79.63	52.90
	<u>853.31</u>	<u>571.60</u>
Profit (Loss) Before Interest & Depreciation	8.66	14.38
Interest	81.93	73.02
Depreciation	12.50	14.86
Net Profit / (Loss)	(85.77)	(73.50)
Charge on account of transitional provisions for Gratuity under Accounting Standard 15	—	—
Loss brought forward	(641.66)	(568.16)
Deficit carried to Balance Sheet	(727.43)	(641.66)

OPERATIONS :

During the year under review, your company achieved a turnover of Rs.853.31 lakhs excluding Excise Duty as against previous year's turnover of Rs.571.60 lakhs excluding Excise Duty and suffered a loss of Rs.85.77 lakhs as against previous year's net loss of Rs.73.50 lakh. Your company manufactured and dispatched 18 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 24 machines for a value of Rs.978.39 lakhs.

During the year, your company received orders for 9 machines for a value of Rs.366.95 lakhs.

Though there is increase in the in-house manufacturing activity during the year under report, the material consumption has increased to 74.83% as compared to that of previous year of 71.76%

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 unabosorbed accumulated losses of the earlier years, your directors regret their inability to recommend dividend for the year under report.

PROSPECTS :

Though the overall economic outlook is staisfactory, inflationary trends and slowdown in automobile and certain sectors of the engineering industry is noticeable, the company has an encouraging order book.

However, shortage of adequate working capital and high interest rates are areas of concern.

Your company has weathered a difficult year and is considering avenues for raising sufficient funds to meet its working capital requirements which will help improve its performance during the current year.

DIRECTORS RETIRING BY ROTATION :

Shyam Sirur, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment.

Mukund Muley, Director of the company, retires by rotation and being eligible, offers himself for re-appointment.

A brief profile of Directors retiring by rotation is given below :

SHYAM SIRUR

Shyam Sirur (64) holds a degree in B.E. (Elect.). He

DIRECTORS' REPORT (Contd...)

has about 42 years of experience in the field of electronics. He is the Executive Chairman of Cotmac Electronics Pvt. Ltd., Director of Cotmac Pvt. Ltd., Cotmac Electronics (Surat) Pvt. Ltd., Cotmac Telecom Pvt. Ltd., Cotmac Infotech Pvt. Ltd., Sunny Weld Pvt. Ltd., Mipro International Pvt. Ltd., N.A. Sirur (Hubli) Pvt. Ltd., Cotmac Gastech Pvt. Ltd., Sibella Pvt. Ltd., Cotmac Synergy Pvt. Ltd., Softech Controls Pvt. Ltd., Sibella Technologies (Pvt.) Ltd., Cotmac Industrial Trading Pvt. Ltd., Cotmac Precision Casting Pvt. Ltd., and Cotmac DTM EXIM Pvt. Ltd. He is also the Chairman of the Remuneration Committee and member of the Audit Committee of the Company.

MUKUND MULEY

Mukund Muley (46) holds a 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., and Director of Cotmac Electronics (Surat) Pvt. Ltd., Cotmac Telecom Pvt. Ltd., Cotmac Infotech Pvt. Ltd., Cotmac Synergy Automation Pvt. Ltd., Cotmac Gastech Pvt. Ltd., Softek Controls Pvt. Ltd., Cotmac Clasitech Singapore Pte. Ltd., Cotmac Precision Casting Pvt. Ltd., and Cotmac DTM EXIM Pvt. Ltd., and Proprietor of M & M Floriculture; Prerana Industries (Nashik) and Symo Patterns (Nashik).

Mukund Muley is a member of the Remuneration Committee of the Company.

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;

1. That in the preparation of the annual accounts for the financial year ended 31st March, 2012, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. 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.

3. 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.
4. That the Directors had prepared the accounts for the financial year ended 31st March, 2012, on a 'Going Concern' basis.

AUDITORS :

M/s. B.K. Ramadhyani and 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 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 as an Annexure.

EMPLOYEES :

During the year under review, there was no employee who was in receipt of a remuneration, which is in excess of Rs.5,00,000 per month or Rs.60,00,000 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 provisions. Corporate

DIRECTORS' REPORT (Contd...)

Governance Report is furnished separately and forms part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

The Management Discussion and Analysis Report as per requirements under Clause-V (A) of the Corporate Governance Provisions prescribed under Clause-49 of the Listing Agreement is furnished separately and forms part of this Report.

CEO / CFO CERTIFICATION :

As required under sub Clause (V) of Clause 49 of the Listing Agreement, the Company has obtained a certificate from A.R. Menon, Executive Director and S.G. Gadagkar, Unit Manager (Accounts), confirming compliance of the aforesaid clause.

CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE :

Certificate of the Auditors confirming Compliance with the provisions of Corporate Governance forms a part of this Report.

EXPLANATIONS TO THE REMARKS IN THE AUDITOR'S REPORT :

Sl.No.4 (a)

Legal proceedings have been initiated for recovering an amount of Rs.14.58 lakhs. The company has a strong case and is confident of being successful. In respect of the claims made by a customer of Rs.73.49 lakhs, the company has been advised that the claim will not stand.

IN ANNEXURE TO THE REPORT :

Re. Sl.No.2 (c) : The company has subsequently received the confirmations from the concerned third parties for the materials lying with them. Consequently, there is no impact on the financial statements.

Re. Sl.No.3 (a) : The delay in payment of interest on loan from Holding Company was due to financial constraints. The arrears will be settled in due course.

Re. Sl.No.9 (a) : The company faced severe working capital crunch during the year and certain statutory payments were delayed. All the statutory over-dues have since been settled.

Re. Sl.No.9 (b) and (c) : Due to financial difficulties, the payment of Fringe Benefit Tax of Rs.2,16,976/- has been delayed. Steps will be taken to clear the same. As fully explained in Note 20(v) of the financial statements for the year ended March 31, 2012, the entire subject of payment of property tax and penalty claimed by local authorities is disputed through the Greater Hubli-Dharwad Industries Association and the matter is pending before the Government of Karnataka.

Re. Sl.No.17 : The Company had obtained short term facilities for its working capital requirements. However, due to financial constraints, the repayment was delayed and the character of the borrowing has changed to long term investments.

INDUSTRIAL RELATIONS :

Industrial relations with the employees of the company remained cordial, stable and satisfactory during the year under review.

ACKNOWLEDGEMENT :

Your directors wish to place on record their appreciation of the assistance and support extended by the Bankers, Financial Institutions, State and Central Governments, Customers and Suppliers to the Company. Your directors express their appreciation for the dedicated and sincere services rendered by the employees of your Company.

For and on behalf of the Board

Place : PUNE
Date : 13th August, 2012

VIKRAM SIRUR
Chairman

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 minimal.
- 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:**
Not applicable, as there is no specific R & D activity being carried out.
3. **Future plan of action:**
To examine and initiate steps for optimizing use of energy.

4. Expenditure on R&D:	(Rs.)
a. Capital	—
b. Recurring	4,54,221/-
c. Total	4,54,221/-
d. Total R&D expenditure as a percentage of total turnover	0.53%

Technology absorption, adaptation and innovation.

1. **Efforts made:**
Our machine building technology is being upgraded to suit the specific requirements of customers.
2. **Benefits derived as a result of above efforts:**
Supply of high quality products to our clients.
3. **Technology imported during the last five years:**
- | | |
|---|------------------|
| a. Technology imported | : NIL |
| b. Year of import | : Not applicable |
| c. Has technology been fully absorbed | : Not applicable |
| d. 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 | : NIL |
| Foreign Exchange Outgo (used) | : NIL |

For and on behalf of the Board

Place : PUNE
Date : 13th August, 2012

VIKRAM SIRUR
Chairman

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2012

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

The following is the report on corporate governance as implemented by your company.

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

Corporate governance implies a set of principles, process and systems to be followed by Directors, Management and all the employees of the company for increasing the stakeholder's 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 others 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, thus ensuring compliance with the requirement.

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 2011-2012		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			
Vikram Sirur	Executive	4	3	Yes	—	—
A.R. Menon	Executive	4	3	Yes	—	—
Shyam Sirur	Independent Non Executive	4	3	No	—	—
Sanjay B. Bajekar	Independent Non Executive	4	3	Yes	—	—
Mukund Muley	Independent Non Executive	4	2	No	—	—

Details of Board Meetings held during the year:
During the year 2011-12, 4 (four) Meetings of the Board were held on the following dates:

Sl.No.	Dates
1.	11-05-2011
2.	08-08-2011
3.	12-11-2011
4.	13-02-2012

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 as provided under the Companies Act, 1956.

REPORT ON CORPORATE GOVERNANCE (Contd...)

The company paid sitting fees to all the Non-Executive directors who attended the Board Meetings at the rate of Rs.2,500/- per meeting upto 31st March, 2012. The sitting fees paid to the directors for the year under report are as follows :

Name	Amount (Rs.)
Shyam Sirur	7,500 ✓
Sanjay B. Baljekar	7,500 12500
Mukund Muley	5,000 ✓

General Information above Directors retiring by Rotation :

Shyam Sirur and Mukund Muley 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 :

SHYAM SIRUR

Shyam Sirur (64) holds a degree in B.E. (Elect.). He has about 42 years of experience in the field of electronics. He is the Executive Chairman of Cotmac Electronics Pvt. Ltd., Director of Cotmac Pvt. Ltd., Cotmac Electronics (Surat) Pvt. Ltd., Cotmac Telecom Pvt. Ltd., Cotmac Infotech Pvt. Ltd., Sunny Weld Pvt. Ltd., Mipro International Pvt. Ltd., N.A. Sirur (Hubli) Pvt. Ltd., Cotmac Gastech Pvt. Ltd., Sibella Pvt. Ltd., Cotmac Synergy Pvt. Ltd., Softech Controls Pvt. Ltd., Sibella Technologies (Pvt.) Ltd., Cotmac Industrial Trading Pvt. Ltd., Cotmac Precision Casting Pvt. Ltd., and Cotmac DTM EXIM Pvt. Ltd. He is also the Chairman of the Remuneration Committee and member of the Audit Committee of the Company.

MUKUND MULEY

Mukund Muley (46) holds a 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., and Director of Cotmac Electronics (Surat) Pvt. Ltd., Cotmac Telecom Pvt. Ltd., Cotmac Infotech Pvt. Ltd., Cotmac Synergy Automation Pvt. Ltd., Cotmac Gastech Pvt. Ltd., Softek Controls Pvt. Ltd., Cotmac Clasitech Singapore Pte. Ltd., Cotmac

Precision Casting Pvt. Ltd., and Cotmac DTM EXIM Pvt. Ltd., and Proprietor of M & M Floriculture; Prerana Industries (Nashik) and Syrno Patterns (Nashik).

Mukund Muley is a member of Remuneration Committee of the Company.

3. AUDIT COMMITTEE :

The Audit Committee comprises of the following directors :

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

The composition of the Audit Committee is in compliance with the requirements of Clause 49(IIA) of the Listing Agreement.

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

V.N. Hasalkar, Company Secretary, is the Secretary of the Audit Committee.

Brief terms of reference of the Audit Committee include monitoring, analyzing and reporting to the 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 and (h) Other issues connected with financial management.

During the year under report, four meetings of the committee were held on 10-05-2011, 08-08-2011, 12-11-2011 and 06-02-2012. 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
Sanjay B. Baljekar, Chairman	4	4
Shyam Sirur, Member	4	4
A.R. Menon, Member	4	3

REPORT ON CORPORATE GOVERNANCE (Contd...)**4. REMUNERATION COMMITTEE :****Composition :**

The Remuneration Committee consists of the following three Directors.

- | | | |
|-----------------------|---|----------|
| 1. Shyam Sirur | — | Chairman |
| 2. Sanjay B. Baljekar | — | Member |
| 3. Mukund Muley | — | Member |

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

The terms of reference include scrutinizing and recommending from time to time to the Board all aspects of appointment and payment of remuneration and other allowances to Whole-time Directors.

Remuneration Policy :

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

Details of remuneration paid / accrued to Chairman / Executive Director :

PARTICULARS	Vikram Sirur Chairman	A.R. Menor Executive Director
	Amount (Rs.)	Amount (Rs.)
Salary	3,00,000	6,00,000
House Rent Allowance	—	60,000
Reimbursement of Medical expenses	—	50,000
Employer's Contribution to Provident Fund	36,000	72,000
Contribution to Superannuation Fund	45,000	90,000
Leave Encashment	—	19,167
Gratuity	14,423	28,846
TOTAL	3,95,423	9,20,013

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 and the Executive Director shall discharge their duties under the superintendence and directions of the Board of Directors from time to time. Their appointments are contractual. The term of office of the aforesaid Directors are for three years effective from the date of their appointment.

One meeting of the Remuneration Committee was held during the year on 16th June, 2011.

The names of the members of the Remuneration Committee, the number of meetings held and attended by them is tabulated below :

Name of the Member	No. of Meetings	
	Held	Attended
Shyam Sirur, Chairman	1	1
Sanjay B. Baljekar, Member	1	1
Mukund Muley, Member	1	1

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE :

Composition : The Shareholders / Investors Grievance Committee comprises of :

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

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

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

The terms of reference of this Committee envisages the following :

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

No investor grievances or complaints were received during the year.

REPORT ON CORPORATE GOVERNANCE (Contd...)

Number of Pending Complaints :

No complaints have been received from shareholders 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, approves completed Share transfer requests.

Two meetings of the Shareholders / Investors Grievance Committee were held during the year on 8th August, 2011 and 6th February, 2012.

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
Sanjay B. Baljekar Chairman	2	2
Vikram Sirur, Member	2	2
A.R. Menon, Member	2	2

6. ANNUAL GENERAL 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
31st March, 2009	25-09-2009	3-30 p.m.	Ordinary-4 Special-2
31st March, 2010	29-09-2010	3-30 p.m.	Ordinary-5
31st March, 2011	28-09-2011	3-30 p.m.	Ordinary-5

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.

- Transactions with the related parties are disclosed in Note No.35B of the Notes forming part of the Financial Statements in the Annual Report.
- There are no transactions which may have potential conflict with the interest of the Company.

- The Company has complied with all the mandatory requirements prescribed under Clause 49 of the Listing Agreement.
- The Company is publishing un-audited financial results.
- The Board members are having adequate experience and expertise to deal with the business matters.
- The Company has installed an Internal policy for its Employees to ensure free access to information and transparency in operations.
- The Board has noted and reviewed the Compliance report of all laws applicable to the Company, which were placed before each of its meetings held during the year.
- The financial statements for the year 2011-12 have been prepared in accordance with applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India and there are no deviations.
- Secretarial Audit : A qualified Practicing Company Secretary carried out secretarial audit during the year on a quarterly basis to reconcile the total admitted capital and the total issued and listed capital. The secretarial audit report confirms that the total paid up capital is in agreement with the total number of shares in physical form.

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.

REPORT ON CORPORATE GOVERNANCE (Contd...)**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.mivenmachinetools.net. 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.

8. MEANS OF COMMUNICATION :

The quarterly results were published in the Hindu-Business Line, Business Standard and in Kannada Prabha and Hosa Digant in vernacular language. The quarterly un-audited financial results during the financial year 2011-2012 were published as detailed below :

Quarter (F.Y. 2011-12)	Date of Board Meeting	Date of Publication	Name of the News Paper
1	08-08-2011	11-08-2011	Business Standard and Hosa Digant
2	12-11-2011	13-11-2011	Business Standard and Hosa Digant
3	13-02-2012	14-02-2012	The Hindu-Business Line and Hosa Digant
4	11-05-2012	14-05-2012	Business Standard and Hosa Digant

For the year ending 31st March, 2013, results will be announced as per time schedule specified below (subject to changes).

End - August 15, 2012 : First Quarter
 End - November 15, 2012 : Second Quarter/Half Yearly
 End - February 15, 2013 : Third Quarter
 End - May 15, 2013 : Fourth Quarter/Yearly audited results

The Company has its own web-site at www.mivenmachinetools.net.

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, 2012, will be held on Friday, the 28th September, 2012 at 3-30 p.m. at the registered office of the Company at Tarihal Industrial Area, Tarihal, Hubli.

FINANCIAL YEAR : 1st April to 31st March.

BOOK CLOSURE : The Register of Members and Share Transfer Books will be closed from 25th September, 2012 to 28th September, 2012 (both days inclusive).

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 Limited, The Delhi Stock Exchange Limited and The Bangalore Stock Exchange Limited. The company has paid listing fees for the year 2011-12 and 2012-13 (at the applicable rates) to Bombay Stock Exchange Limited only.

The scrip code at Bombay Stock Exchange Limited is 522036.

REPORT ON CORPORATE GOVERNANCE (Contd...)

Market Price Data

The Monthly Highest and Lowest prices at which the Company's shares were traded : During the year 2011-12, 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 scrip, 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 relating to shares of the company during the year under report. All share registry activities are carried out in-house.

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

Distribution of Shareholding as on 31-03-2012

Nominal Value of Shares (Rs.)	No. 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

Dematerialization of shares and liquidity : The company is keen to implement dematerialization of its shares. All the shares are held in physical mode only. The NSDL has now removed the basic criteria for joining the Depositories for Listed Companies (i.e. Net worth of 1 Crore and erosion of net worth if any, is not more than 50% of paid up capital) and the Company is under the process of dematerialization of its shares.

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, copies of the Nomination Forms can be obtained from the company on request.

Compliance Officer and address for communication : V.N. Hasalkar, Company Secretary, is the Compliance Officer. In case any member wishes to seek any clarification regarding shares, share transfers, etc., he may write to the Company Secretary at the Registered Office of the Company at Miven Machine Tools Limited, Tarihal Industrial Area, Tarihal, Hubli-580 026. (Phone No.0836-2212221-24, Fax 0836-2310411).

10. CEO / CFO CERTIFICATION

As required under sub-clause (v) of Clause 49 of the Listing Agreement, the Company has obtained a Certificate from A.R. Menon, Executive Director and S.G. Gadagkar, Unit Manager (Accounts) 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 the Board of Directors

Place : PUNE
Date : 13th August, 2012

VIKRAM SIRUR
Chairman

CERTIFICATE OF THE AUDITORS IN RESPECT OF COMPLIANCE OF CORPORATE GOVERNANCE

To,
The Members of
Miven Machine Tools Ltd., Hubli

We have examined the compliance of conditions of Corporate Governance by Miven Machine Tools Ltd., Hubli, for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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.

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 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. Ramadhyani & Co.
Chartered Accountants
Firm Registration No. 002878 S

Place: PUNE
Date: 13th August, 2012

C. R. DEEPAK
Partner
Membership No. 215398

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 2012-13. 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, rising interest costs witnessed by the economy is expected to slow down its growth rate this year. Our machines are also used 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 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) Segmentwise or productwise 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 18 machines valued at Rs.853.31 lakhs (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 pose 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 in accordance with Accounting Standards. The Company's financial performance 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 utilization of manpower.

As on 31st March, 2012, the total number of salaried employees stood at 32. The Employer-Employee Relations were cordial throughout the year.

For and on behalf of the Board of Directors

Place : PUNE
Date : 13th August, 2012

VIKRAM SIRUR
Chairman

AUDITORS' REPORT TO THE MEMBERS OF MIVEN MACHINE TOOLS LIMITED, HUBLI.

1. We have audited the attached Balance Sheet of Miven Machine Tools Limited ("the Company"), Hubli as at March 31, 2012, the Statement of Profit & Loss and 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, ("The Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ("the Act"), we enclose in the Annexure to the best of our knowledge and belief, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4.
 - a) We have relied on the representation of the Company that the amount due from a customer as referred to in note 20 (iii) of Rs.1,457,586 is good of recovery and no provision is required in respect of the claims made by the customer of Rs.7,348,629. 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 31 of the financial statement regarding reasons for preparing the financial statements of the Company on going concern basis, notwithstanding the fact that its networth of the Company 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.
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 and Statement of Profit & Loss dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet and statement of Profit and Loss, dealt with by this report comply in all material aspects of the mandatory accounting standards referred to in sub-section (3C) of section 211 of the Act.
 - e) On the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - f) In our opinion and to the best of our information and according to the explanations given to us the said accounts read with notes give the information as required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i) In the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2012;
 - ii) In the case of the Statement of Profit & Loss, the loss for the year ended on that date and
 - iii) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

B.K. Ramadhyani & Co.,
Chartered Accountants
4B, Chitrapur Bhavan, 8th Main, 15th Cross,
Malleshwaram, Bangalore-560 055.

Place : PUNE
Date : 13th August, 2012

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

C. R. DEEPAK
Partner
Membership No. 215398

ANNEXURE TO THE AUDITORS' REPORT

(As referred to in Para 3 of our Report to the Members of Miven Machine Tools Limited, Hubli)

1.
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) These assets have been physically verified by the management as per programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies noticed on such verification have been appropriately adjusted in the books of account.
 - c) In our opinion, there are no substantial disposal of fixed assets during the year and hence clause 4(i)(c) of the Order is not applicable.
2.
 - a) Inventories other than those lying with the third parties have been physically verified during the year by the management. In our opinion, the frequency of the 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 lying with the third parties. Work in progress at the factory are as per the physical inventory. Material lying with third parties amounting to Rs.443,063 included in raw materials and components are subject to confirmation. The discrepancies noticed on verification between physical stocks and book records other than work in progress at the factory were not material. Discrepancies in respect of work in progress, if any, are not ascertainable.
3.
 - a) In our opinion the rate of interest and other terms and conditions on which loan of Rs.93,08,841 from its holding Company, Rs.35,00,000 from a director and Rs.40,00,000 from certain companies in which directors are interested, covered in the register maintained under section 301 of the act, and outstanding as at March 31, 2012 are not, prima facie prejudicial to the interest of the Company. There are no stipulations for repayment of the above loan and there is no interest obligation on loan from directors and certain companies in which directors are interested. However, there were delays in repayment of interest to Holding Companies for certain months and were in arrears to an extent of Rs.1,852,086 as at March 31, 2012.
- b) The Company has not granted any loans to companies covered in the register maintained under section 301 of the Act. hence clause 4(iii)(a) to (d) the Order is not applicable.
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 sale of services, purchase of fixed assets and sale of fixed assets during the year. There were no purchase and sale of inventory during the year. We have not observed any continuing failure on the part of the Company to correct major weakness in internal control.
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 during the year into the register maintained under section 301 of the Act. 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 Act. 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 the public during the year as referred to in sections 58A & 58AA of the Act. hence clause 4(vi) of the Order is not applicable.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of the business.
8. We have broadly reviewed the Cost Records maintained by the Company as prescribed by the Central Government under clause (d) of sub section (1) of 209 of the Act. and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not made a detailed examination to ensure their accuracy or completeness.
9.
 - a) According to the information and explanation given to us there were delays in depositing with appropriate authorities undisputed statutory dues

ANNEXURE TO THE AUDITORS' REPORT (Contd...)

(As referred to in Para 3 of our Report to the Members of Miven Machine Tools Limited, Hubli)

- relating to Employee Provident Fund, Employees' State Insurance, Income Tax deducted at Source, and Property Tax. However, there were no material delay in remittance of Value Added Tax, Excise Duty, Service Tax, Customs 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, Wealth Tax are not applicable.
- 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 March 31, 2012 for a period of more than six months from the date on which they became payable except for Fringe Benefit Tax of Rs.2,16,976/- and property tax payable to local authorities, amounting to Rs.3,17,972 has not been remitted as referred in note 20 (v) of the financial statements.
- c) According to the information and explanation 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 20 (v) of the financial statements property tax and penalty relating to prior years amounting to Rs.2,11,79,774 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.73,27,359 in respect of year under report and Rs.58,63,980 in respect of the preceding 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. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence clause 4 (xii) of the Order is not applicable to the Company.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4 (xiii) of the Order is 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, clause 4(xiv) of the Order is not applicable to the Company.
15. The Company has not given guarantees for loans taken by others from banks or financial institutions and hence clause 4(xv) of the Order is not applicable.
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.
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 been used for long term investment during the year to an extent of Rs.1,10,58,912.
18. According to the information and explanations given to us, the Company has not issued any capital during the year. Accordingly paragraph 4(xviii) of the Order is not applicable.
19. According to the information and explanations given to us, there are no debentures issued by the Company and hence clause 4(xix) of the Order, regarding creation of securities is not applicable.
20. The Company has not made any public issue during the year and hence clause 4(xx) of the Order regarding end use of money is 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.

B.K. Ramadhyani & Co.,
Chartered Accountants
4B, Chitrapur Bhavan, 8th Main, 15th Cross,
Malleshwaram, Bangalore-560 055.

Place : PUNE
Date : 13th August, 2012

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

C. R. DEEPAK
Partner
Membership No. 215398

BALANCE SHEET

AS AT 31ST MARCH, 2012

PARTICULARS	Note No.	As at March 31, 2012		As at March 31, 2011	
		Rs.	Rs.	Rs.	Rs.
I. EQUITY AND LIABILITIES					
1) Shareholders' Funds					
a) Share Capital	2	30,035,000		30,035,000	
b) Reserves and Surplus	3	(71,215,903)		(62,638,574)	
			(41,180,903)		(32,603,574)
2) Non - Current Liabilities					
a) Long Term Borrowings	4	47,391,662		33,308,841	
b) Long Term Provisions	6	1,505,008		1,877,570	
			48,896,670		35,186,411
3) Current Liabilities					
a) Short Term Borrowings	7	5,495,813		25,076,966	
b) Trade Payables	8	23,266,626		23,931,392	
c) Other Current Liabilities	9	39,799,480		38,540,765	
d) Short Term Provisions	10	357,703		372,612	
			68,919,622		87,921,735
TOTAL			76,635,389		90,504,572
II. ASSETS					
1) Non - Current Assets					
a) Fixed Assets					
i) Tangible Assets	11	14,374,168		15,462,692	
b) Non - Current Investments	12	50,000		50,000	
c) Long Term Loans and Advances	13	2,892,925		1,233,858	
d) Other Non - Current Assets	14	1,457,586		1,457,586	
			18,774,679		18,204,136
2) Current Assets					
a) Inventories	15	44,118,133		40,717,499	
b) Trade Receivables	16	8,429,565		26,493,847	
c) Cash and Bank Balances	17	3,045,639		2,304,011	
d) Short Term Loans and Advances	18	2,214,435		2,775,914	
e) Other Current Assets	19	52,938		9,165	
			57,860,710		72,300,436
TOTAL			76,635,389		90,504,572

The Notes attached form an integral part of the Balance Sheet 1 to 36

In Accordance with our Report attached
For **B. K. RAMADHYANI & CO.**
Chartered Accountants
Firm Number: 002878 S

For and on behalf of the Board of Directors of
Miven Machine Tools Limited

C. R. DEEPAK
Partner

VIKRAM SIRUR
Chairman

SANJAY B. BALJEKAR
Director

Place: PUNE
Date: 13th August, 2012

A. R. MENON
Executive Director

V. N. HASALKAR
Company Secretary

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	Note No.	Current Reporting Period		Previous Reporting Period	
		Rs.	Rs.	Rs.	Rs.
I. Revenue from Operations	21		84,654,848		55,118,558
II. Other Income	22		676,433		2,041,690
III. Total Revenue (I + II)			85,331,281		57,160,248
IV. Expenses					
Cost of Material consumed	23	65,873,177		42,393,664	
Purchases of Stock in Trade					
Changes in inventories of finished goods, work in progress and stock in trade	24	(3,839,682)		(5,408,244)	
Employee benefits expense	25		62,033,495		36,985,420
Finance Costs	26		7,615,367		8,079,044
Depreciation and amortization expense	27		9,031,627		7,756,000
Operating Expenses	28		1,249,970		1,486,271
Total Expenses			93,908,610		64,510,499
V. Loss before Tax (III - IV)			8,577,329		7,350,251
VI. Tax Expense					
1) Current Tax			—		—
2) Deferred Tax			—		—
VII. Loss for the period (V + VI)			8,577,329		7,350,251

Loss per Equity Share : .
Basic and Diluted

(2.86)

(2.45)

The Notes attached form an integral part of the Statement of Profit and Loss Account

In Accordance with our Report attached
For **B. K. RAMADHYANI & CO.**
Chartered Accountants
Firm Number: 002878 S

For and on behalf of the Board of Directors of
Miven Machine Tools Limited

C. R. DEEPAK
Partner

VIKRAM SIRUR
Chairman

SANJAY B. BALJEKAR
Director

Place : PUNE
Date : 13th August, 2012

A. R. MENON
Executive Director

V. N. HASALKAR
Company Secretary

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	Current Reporting Period		Previous Reporting Period	
	Rs.	Rs.	Rs.	Rs.
Cash flow from operating activities				
Loss before Taxation		(8,577,329)		(7,350,251)
Adjustments for:				
Depreciation and amortization expense	1,249,970		1,486,271	
Provisions	(387,471)		616,541	
Profit on sale of fixed assets	—		(9,524)	
Interest Received	(96,051)		(56,396)	
Dividends Received	(6,000)		(6,000)	
Finance Costs	9,031,627		8,079,044	
		9,792,075		10,109,936
		1,214,746		2,759,685
(Increase) / Decrease in inventories	(3,400,634)		(15,112,210)	
(Increase) / Decrease in trade receivables	18,064,282		(20,056,767)	
(Increase) / Decrease in Loans & advances	(1,087,676)		(428,821)	
Increase / (Decrease) in trade payables & other liabilities	(5,323,515)		33,437,707	
		8,252,457		(2,160,091)
		9,467,203		599,594
Income Taxes Paid		9,912		37,937
Net Cash from Operating Activities		9,457,291		561,657
Cash flows from Investing Activities				
Purchase of Property, Plant and Equipment	(161,446)		(451,437)	
Proceeds from Sale of Property, Plant and Equipment	—		9,525	
(Increase) / Decrease in margin Money with banks	(43,747)		(944,754)	
Interest Received	52,278		63,958	
Dividend Received	6,000		6,000	
Net Cash from Investing Activities		(146,915)		(1,316,708)

CASH FLOW STATEMENT (Contd...)

FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	Current Reporting Period		Previous Reporting Period	
	Rs.	Rs.	Rs.	Rs.
Cash flows from financing activities				
Increase / (Decrease) in short term borrowings	(19,581,153)		3,856,698	
Proceeds from long term borrowings	18,912,381		4,815,706	
Interest paid	(7,943,723)		(7,988,174)	
Divident paid	—		—	
Net cash from financing activities		(8,612,495)		684,230
Net Increase / (decrease) in cash and cash equivalents		697,881		(70,821)
Cash and cash equivalents at beginning of reporting period		1,012,331		1,083,153
Cash and cash equivalents at end of reporting period		1,710,212		1,012,332

Cash and Cash Equivalents :

Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments. Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the balance sheet :

Cash on hand and bank balances	3,045,639	2,304,011
Less : Margin money with banks	1,335,427	1,291,680
Cash and cash equivalents as reported	1,710,212	1,012,331
Effect on exchange rate changes		
Cash and cash equivalents as restated	1,710,212	1,012,331

In Accordance with our Report attached
For **B. K. RAMADHYANI & CO.**
Chartered Accountants
Firm Number : 002878 S

C. R. DEEPAK
Partner

Place : PUNE
Date : 13th August, 2012

For and on behalf of the Board of Directors of
Miven Machine Tools Limited

VIKRAM SIRUR
Chairman

A. R. MENON
Executive Director

SANJAY B. BALJEKAR
Director

V. N. HASALKAR
Company Secretary

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	As at March 31, 2012		As at March 31, 2011	
	Number	Rs.	Number	Rs.
2. SHARE CAPITAL				
Authorized : Equity Shares of Rs.10/- each	5,000,000	50,000,000	5,000,000	50,000,000
		50,000,000		50,000,000
Issued, subscribed and fully paid up : Equity Shares of Rs.10/- each				
At the beginning of the reporting period	3,003,500	30,035,000	3,003,500	30,035,000
At the close of the reporting period .	3,003,500	30,035,000	3,003,500	30,035,000
Other Information :				
1) Equity Shares include :				
a) Shares held by the holding company N. A. Sirur (Hubli) Private Limited Hubli in aggregate	2,588,150	25,881,500	2,588,150	25,881,500
b) Particulars of equity share holders holding more than 5% of the total number of equity share capital	No. of Shares	Percentage	No. of Shares	Percentage
N.A. Sirur (Hubli) Private Limited	2,588,150	86.17%	2,588,150	86.17%
3. RESERVES AND SURPLUS				
i) Capital Reserve				
As at the beginning of the reporting period		1,527,500		1,527,500
As at the end of the reporting period		1,527,500		1,527,500
ii) Surplus i.e. balance in Statement of Profit & Loss				
As at the beginning of the reporting period		(64,166,074)		(56,815,823)
Add: Transferred from Profit & Loss Account		(8,577,329)		(7,350,251)
As at the end of the reporting period		(72,743,403)		(64,166,074)
TOTAL		(71,215,903)		(62,638,574)
4. LONG TERM BORROWINGS				
1) Secured Loans :				
Term Loans from a bank		18,300,000		—
Working capital term loan from a bank		17,112,381		20,000,000
		35,412,381		20,000,000
Less: Current maturities		4,829,560		—
		30,582,821		20,000,000
2) Unsecured Loans :				
Loans and advances from related parties		16,808,841		13,308,841
		16,808,841		13,308,841
3) Total Long Term Borrowings (1 + 2)		47,391,662		33,308,841

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	As at March 31, 2012	As at March 31, 2011
	Rs.	Rs.
Additional Information :		
a) Details of Security of secured loans		
(i) Term Loans from bank is secured against Equitable mortgage of Land and Building, Hypothecation of Plant and Machinery.		
(ii) Working capital Loan is secured against Hypothecation of stock and book debts upto 150 days and additionally secured by land and building.		
b) Loans have been guaranteed by directors or other by the Chairman of the Company and also by the Holding Company	35,412,381	20,000,000
c) Terms of repayment of term loans and others :		
(i) Term Loans from bank are repayable in 60 equated monthly instalments of Rs.417,000/- per month after initial moratorium of 12 months.		
(ii) Working Capital Demand Loan is repayable in 84 equated monthly instalments of Rs.465,000/- per month after initial moratorium of 24 months.		
5. DEFERRED TAX		
i) Deferred Tax Liability		
on Account of depreciation on fixed assets	1,616,374	1,696,355
Total	1,616,374	1,696,355
ii) Deferred Tax Asset :		
on Account of Unabsorbed losses and depreciation under the Income Tax Act. 1961	1,616,374	1,696,355
Total	1,616,374	1,696,355
Net Deferred Tax (liability) / asset	—	—
6. LONG TERM PROVISIONS		
a) Provisions for employee benefits	1,505,008	1,877,570
	1,505,008	1,877,570
7. SHORT TERM BORROWINGS		
1) Secured Loans :		
Loans repayable on demand		
– Working capital loans from bank	5,495,813	17,576,966
– Demand loan from bank		7,500,000
	5,495,813	25,076,966

ADDITIONAL INFORMATION :

Details of security for secured loans

- Working capital loan is secured against Hypothecation of stocks and book debts and guaranteed by the Chairman of the Company and holding Company.
- Demand loan was secured against land and building and plant & machinery of the Company.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	As at March 31, 2012	As at March 31, 2011
	Rs.	Rs.
8. TRADE PAYABLES		
i) To Micro, Small and Medium Enterprises	1,640,040	1,361,277
ii) Others	21,626,586	22,570,115
	23,266,626	23,931,392
Additional Information :		
The details of amounts outstanding to Micro, Small and Medium Enterprises under Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act.) based on the available information with the Company are as under :		
1) Principal amount due and remaining unpaid	1,640,040	1,361,277
2) Interest due on (1) above and the unpaid interest	1,739,511	1,197,884
3) Interest paid on all delayed payments under the MSMED Act.	—	—
4) Payment made beyond the appointed day during the year	3,273,218	2,331,549
5) Interest due and payable for the period of delay other than (3) above	1,739,511	1,197,884
6) Interest accrued and remaining unpaid	1,739,511	1,197,884
7) Amount of further interest remaining due and payable in succeeding years	1,739,511	1,197,884
9. OTHER CURRENT LIABILITIES		
a) Current maturities of long term debt	4,829,560	
b) Interest accrued and due on borrowings	2,275,106	1,187,202
c) Advance from customers	24,318,135	26,494,111
d) Other liabilities	8,200,539	9,980,023
e) Statutory liabilities	176,140	879,429
	39,799,480	38,540,765
10. SHORT TERM PROVISIONS :		
a) Provision for employee benefits	52,316	67,225
b) Provision for Taxation	305,387	305,387
	357,703	372,612

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012

11. FIXED ASSETS :

PARTICULARS	COST				DEPRECIATION			NET BLOCK		
	As at 01-04-2011	Additions for the year	Deductions during the year	As at 31-03-2012	As at 01-04-2011	For the year	Deductions	As at 31-03-2012	As at 31-03-2012	Upto 31-03-2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets										
Own Assets									2,858,990	2,858,990
Land	2,858,990	—	—	2,858,990	—	—	—	—	—	—
Buildings	14,221,218	—	—	14,221,218	9,928,328	474,989	—	10,403,317	3,817,901	4,292,890
Plant & Machinery	15,770,827	—	—	15,770,827	9,188,522	487,570	—	9,676,092	6,094,735	6,582,305
Furniture & Fixtures	1,161,688	—	—	1,161,688	559,680	47,994	—	607,674	554,014	602,008
Vehicles	1,136,099	—	—	1,136,099	796,490	87,924	—	884,414	251,685	339,609
Office Equipment	890,375	—	—	890,375	567,109	30,819	—	597,928	282,447	323,268
Tools and Jigs	1,190,476	—	—	1,190,476	1,118,838	30,484	—	1,149,322	41,154	71,638
Computers and Printers	1,433,899	49,500	—	1,483,399	1,418,987	23,136	—	14,42,123	41,276	14,912
Factory Equipments	1,535,217	111,946	—	1,647,163	1,226,328	57,375	—	1,283,703	383,460	308,889
Electrical Installation	986,240	—	—	986,240	918,055	9,679	—	927,734	58,506	58,185
TOTAL	41,185,629	161,446	—	41,346,475	25,722,337	1,249,970	—	26,972,307	14,374,168	15,462,692
	(40,773,113)	(451,437)	(39,521)	(41,185,029)	(24,275,586)	(1,496,271)	(39,520)	(25,722,337)		

12. NON CURRENT INVESTMENTS :

DETAILS OF INVESTMENTS	NAME OF THE COMPANY	As at March 31, 2012			As at March 31, 2011		
		No. of Shares	Face Value	Rs.	No. of Shares	Face Value	Rs.
a) Investments in Equity Instruments :							
Others (Trade, Unquoted)	The Shamrao Vitthal Co-op. Bank Ltd., Hubli	2,000	10	50,000	2,000	10	50,000
Equity Shares fully paid up				50,000			50,000
Total							
Additional Information :							
1) Aggregate value of unquoted investments :				50,000			50,000
Cost							

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	As at March 31, 2012	As at March 31, 2011
	Rs.	Rs.
13. LONG TERM LOANS AND ADVANCES (Unsecured, considered good)		
i) Security deposits	274,386	274,386
ii) Input VAT receivable	2,534,659	885,504
iii) Advance payment of tax	63,880	73,968
	2,892,925	1,233,858
14. OTHER NON CURRENT ASSETS (Unsecured, considered good)		
i) Long-term trade receivables	1,457,586	1,457,586
	1,457,586	1,457,586
15. INVENTORIES		
i) Raw materials	24,222,230	24,978,760
ii) Work in progress	18,455,407	14,615,725
iii) Stores and spares	1,440,496	1,123,014
	44,118,133	40,717,499
16. TRADE RECEIVABLES (Unsecured, considered good)		
i) Trade receivables exceeding six months	1,333,708	558,549
ii) Others	7,095,857	25,935,298
	8,429,565	26,493,847
17. CASH AND BANK BALANCES		
a) Cash and cash equivalents :		
i) Balances with banks in other accounts	1,636,501	993,755
ii) Cash on hand	73,711	18,576
	1,710,212	1,012,331
b) Other Bank balances : In margin money, security for borrowings, guarantees and other commitments		
	1,335,427	1,291,680
	1,335,427	1,291,680
	3,045,639	2,304,011
Total		
18. SHORT TERM LOANS AND ADVANCES (Unsecured, considered good)		
i) Balance with Central Excise & VAT authorities	1,027,306	1,904,641
ii) Others	1,187,129	871,273
	2,214,435	2,775,914
Less: Provision for doubtful Advances		
	2,214,435	2,775,914
19. OTHER CURRENT ASSETS		
i) Accrued Interest	52,938	9,165
	52,938	9,165

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	As at March 31, 2012	As at March 31, 2011
	Rs.	Rs.
20. CONTINGENT LIABILITIES AND COMMITMENTS		
(to the extent not provided for)		
Contingent Liabilities :		
i) Counter guarantees given to the bankers for guarantees given by them on behalf of the company	14,412,104	15,473,069
ii) Claim by former employees / casual workers pending before courts	84,311	84,311
iii) The Company has considered an amount of Rs.1,457,586 due from a customer as good of recovery in respect of which the customer has made a claim 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.	7,348,629	7,348,629
iv) Liability in respect of pending Fringe Benefit Tax, sales tax and entry tax assessments	Not ascertainable	Not ascertainable

- v) 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 (HDMC), Hubli. Since KIADB had not fully developed this Industrial Estate, it has not handed over the same to HDMC. 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. Subsequent to the balance sheet date the KIADB has also made claims for maintenance charges and interest totally amounting to Rs.294,420/- including for prior years. The company is disputing the claim and is in the process of filing a petition for waiver, further HDMC has claimed Rs.2,11,79,774 (Rs.19,153,046) towards tax including penalty of Rs.1,30,97,509 (Rs.11,151,251) for the period from 1995 to 2008. However, for the year under report property tax of Rs.87,494 (Rs.87,494) has been paid to HDMC as per the terms of HDMC 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 Industries 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.3,17,972 (Rs.3,17,972) though not paid, is retained in the books of account.

The management believes, based on internal assessment and / or legal advice, that the probability of an ultimate adverse decision and outflow of resources of the Company is not probable and accordingly, no provision for the same is considered necessary.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	For the Current Reporting Period	For the Previous Reporting Period
	Rs.	Rs.
21. REVENUE FROM OPERATIONS		
i) Sale of Products		
CNC Turning Machines	87,165,910	50,425,098
Spare Parts	3,698,063	6,403,363
Total	90,863,973	56,828,461
ii) Sale of services	1,754,071	3,579,947
iii) Other Operating Revenues	92,618,044	60,408,408
Less : Excise Duty	7,963,196	5,289,850
	84,654,848	55,118,558
22. OTHER INCOME		
i) Interest Income	96,051	56,396
ii) Dividend Income from long term investments	6,000	6,000
iii) Profit on sale of fixed assets (Net)	—	9,524
iv) Provision no longer required withdrawn	500,000	1,030,624
v) Other non operating income (Net of expenses directly attributable to such income)	74,382	939,146
	676,433	2,041,690
23. COST OF MATERIALS CONSUMED		
a. i) Consumption of raw materials	56,741,651	36,821,313,
ii) Consumption of stores and spare parts	1,470,076	950,121
iii) Manufacturing Expenses	7,661,450	4,622,230
	65,873,177	42,393,664
b. Consumption of Major Raw Materials		
i) CNC package with drives and motors	9,770,333	6,252,122
ii) Base	2,938,066	1,224,878
iii) Way Block	2,797,128	1,675,986
24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		
Stocks at the end of the year		
Work in Progress		
CNC Turning Machines	14,140,813	7,868,105
Indigenous Components	4,314,594	6,747,620
	18,455,407	14,615,725
Less : Stocks at the beginning of the year		
Work in Progress		
CNC Turning Machines	7,868,105	382,235
Indigenous Components	6,747,620	8,825,246
	14,615,725	9,207,481
	(3,839,682)	(5,408,244)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	For the Current Reporting Period	For the Previous Reporting Period
	Rs.	Rs.
25. EMPLOYEE BENEFIT EXPENSES		
i) Salaries and wages	5,164,919	5,011,853
ii) Contribution to provident and other funds	828,470	1,315,468
iii) Remuneration to whole time directors	1,219,936	1,334,602
iv) Staff Welfare Expenses	402,042	417,121
	7,615,367	8,079,044
26. FINANCE COSTS		
i) Interest Expense	8,193,275	7,302,222
ii) Other borrowing costs	838,352	453,778
	9,031,627	7,756,000
27. DEPRECIATION AND AMORTIZATION		
i) Depreciation	1,249,970	1,486,271
	1,249,970	1,486,271
28. OTHER EXPENSES		
i) Power and Fuel	1,242,767	1,084,091
ii) Repairs to buildings	—	125
iii) Repairs to machinery	197,819	120,714
iv) Repairs to others	137,843	80,266
v) Insurance	117,906	72,476
vi) Rates and taxes	282,754	576,730
vii) Payment to the auditors		
– as Auditor	65,000	65,000
– for taxation matters	57,000	57,000
– for other services	28,000	48,000
– for reimbursement of expenses	15,992	10,191
viii) Selling expenses	1,212,993	646,680
ix) Warranty claims	—	161,102
x) Legal and professional charges	456,713	291,782
xi) Directors sitting fees	20,000	12,500
xii) Miscellaneous expenses	407,180	167,743
xiii) Freight inward	1,026,353	867,177
xiv) Travelling expenses		
– Directors	149,416	335,199
– Employees	2,063,347	1,402,797
– Others	657,297	644,917
xv) Security Expense	932,058	836,775
xvi) Vehicle Maintenance	160,902	156,218
xvii) Vehicle Hire Charges	185,630	124,251
xviii) Printing and Stationery	338,190	344,225
xix) Communication Charges	406,492	435,719
xx) Estate Maintenance	325,743	95,472
xxi) Membership and Subscription	101,334	28,904
xxii) Advertisement	297,429	255,254
xxiii) Liquidated Damages	3,091,993	1,282,456
	13,978,151	10,203,764

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012

29. ADDITIONAL INFORMATION

a)	Value of imports calculated on CIF basis Components and spare parts	919,335	1,949,404
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b)

Sl.No.	Particulars	Amount	% to Total	Amount	% to Total
i)	Value of imported raw materials, spare parts and components consumed	1,523,614	2.31%	2,689,339	6.34%
ii)	Value of indigenous raw materials, spare parts and components consumed	64,349,563	97.69%	39,704,325	93.66%
		65,873,177	100%	42,393,664	100%

30. Loss Per Share : (Basic & Diluted)

PARTICULARS	For the Current Reporting Period	For the Previous Reporting Period
	Rs.	Rs.
Loss for the year after tax expense	(8,577,329)	(7,350,251)
Weighted average number of equity shares	3,003,500	3,003,500
Loss per Share	(2.86)	(2.45)

31. Considering the business plans made by the Company, improvement in turnover, orders on hand, re-organisation of product mix and with continued support from the Bankers and the Holding Company, the Company expects to recover from the losses. According to the Company considering all the facts and notwithstanding the erosion of net worth the assumption of "Going Concern" is not vitiated.

32. 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.

33. Disclosures as per Accounting Standard 15 "Employee Benefits"

Defined Contribution Plan :

Contribution to defined contribution plan are recognized as expense for the year are as under :

PARTICULARS	For the Current Reporting Period	For the Previous Reporting Period
	Rs.	Rs.
Employer's contribution to provident and pension funds	605,095	586,486
Employer's contribution to superannuation fund	135,000	135,000
Employer - Employee Policy Premium	—	213

Defined Benefit Plan :

The employees' gratuity fund scheme managed by a trust is a defined benefit plan. The Present value of obligation is determined based on actuarial valuation using the projected unit credit method.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012

	Current Reporting Period		Previous Reporting Period	
	Gratuity (Funded) Rs.	Leave (Funded) Rs.	Gratuity (Funded) Rs.	Leave (Funded) Rs.
1. Reconciliation of opening and closing Balances of defined benefit obligation				
- Defined benefit obligation at beginning of the year	2,038,232	474,295	1,710,695	404,567
- Current Service Cost	158,458	10,669	104,440	48,335
- Interest Cost	144,352	25,944	104,717	22,702
- Actuarial (gain) / Loss	(522,654)	(1,496)	529,945	(1,309)
- Benefits Paid	(346,000)	—	(411,565)	—
- Defined benefit obligation at end of the year	1,472,388	509,462	2,038,232	474,295
2. Reconciliation of opening and closing balance of fair value of plan assets				
- Fair value of plan assets at beginning of the year	439,787	125,189	739,060	45,422
- Expected return on plan assets	38,938	12,247	35,391	7,835
- Employer contribution	368,283	18,220	79,657	71,932
- Benefits Paid	(3,46,500)	—	(411,565)	—
- Actuarial gain / (loss)	(4,526)	—	—	—
- Fair value of plan assets at year end	495,982	155,656	442,543	125,189
3. Reconciliation of fair value of assets and obligations				
- Fair value of plan assets	1,472,388	155,656	442,543	125,189
- Present value of obligation	495,982	509,412	2,038,232	474,295
- Amount recognized in Balance Sheet under liabilities	976,406	353,756	1,595,689	349,106
4. Expense recognized during the year (Under "Note 25 Employee Benefit Expenses" in the Statement of Profit and Loss Account)				
- Current Service Cost	158,458	10,669	104,440	48,335
- Interest Cost	144,352	25,944	104,717	22,702
- Expected return on plan assets	(38,938)	12,247	(35,391)	(7,835)
- Actuarial gain / (loss)	(527,180)	(1,496)	529,945	(1,309)
Net Cost	(263,308)	22,870	703,311	61,893
5. Actuarial assumptions :				
- Mortality Table (LIC)	1994 - 96 (Ultimate)		1994 - 96 (Ultimate)	
- Discount Rate (per annum)	8%	8%	8%	8%
- Expected rate of return on plan assets (per annum)	7.5%	7.5%	9%	9%
- Rate of escalation in salary (per annum)	6%	6%	5%	5%

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the actuary.

34. The Company has only one business segment viz., Metal Cutting including grinding machines. All sales are in India. Hence the disclosures required under Accounting Standard-17 (Segment Reporting) is not applicable.

35. RELATED PARTY TRANSACTIONS

A)	Sl.No.	Name of the Related Party	Nature of Relationship
	1)	Mr. Vikram Sirur Mrs. Alka Sirur Mr. Sandeep Sirur Mrs. Maithili Sirur Ms. Neelima Ms. Sheetal Amarnath Savnur Mr. A.R. Menor Mr. V.N. Hasalkar	Key Management Personnel and their relatives
	2)	N.A. Sirur (Hubli) Private Limited	Holding Company
	3)	Miven Mayfran conveyors Private Limited Cotmac Private Limited Cotmac Electronics Private Limited Cotmac Electronics (Surat) Private Limited Cotmac Info tech Private Limited Cotmac Telecom Private Limited Cotmac Synergy Automation Private Limited Cotmac Gastech Private Limited Cotmac Industrial Trading Private Limited Cotmac Precision Casting Private Limited Cotmac DTM EXIM Private Limited Sunny Weld Private Limited Softech Controls Private Limited Ruris Technal Extraction Systems Private Limited Mipro International Private Limited Finear Systems Private Limited Precomp Tools Private Limited Precomp Gears Private Limited Emuge India Private Limited Metform Vaccutreat India Private Limited	Enterprises in which Key Management personnel and their relatives are able to exercise significant influence.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012

B) Details of Transactions		(Amount in Rupees)		
Nature of Transactions	Key Management Persons and their relatives	Holding Company	Enterprises in which key Management personnel and their relatives are able to exercise significant influence	
Remuneration paid to :	395,423	Nil	Nil	
- Vikram Sirur	(395,423)			
- A.R. Menor	932,513	Nil	Nil	
	(939,179)			
- V.N. Hasalkar	156,000	Nil	Nil	
	(156,000)			
Interest on unsecure borrowings	Nil	1,155,240	Nil	
		(12,11,542)		
Purchases from	Nil	Nil	1,263,217	
Miven Myfran Conveyors Private Limited			(891,701)	
Sales to	Nil	Nil	930,751	
Miven Myfran Conveyors Private Limited			(1,189,863)	
Unsecured loan received from				
Vikram Sirur	1,500,000	Nil	Nil	
Amount due from				
Company as at the end of the year	—	—	—	
- Inter Corporate Deposit (ICD)	Nil	9,308,841	Nil	
		(9,308,841)		
- ICD from Ruris Tecnal Extraction	Nil	Nil	2,000,000	
Systems Private Limited			(2,000,000)	
- ICD from Miven Mayfran Conveyors	Nil	Nil	2,000,000	
Private Limited			(-)	
- Unsecured Loan from Vikram Sirur	3,500,00	Nil	Nil	
	(2,000,000)			
- Amount payable to Miven Mayfran	Nil	Nil	1,258,547	
Conveyors Private Limited			(564,009)	
- Amount payable to	Nil	Nil	53,958	
Cotmac Private Limited			(53,958)	
- Interest payable	Nil	1,852,086	Nil	
		(894,233)		
Guarantees given on behalf of the Company	40,908,194	40,908,194	Nil	
and outstanding at the end of the year by	(45,076,966)	(45,076,966)		
Vikram Sirur and holding company				

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012

36. Previous reporting period's figures have been regrouped wherever required in conformity with the presentation for the current reporting period.

PARTICULARS	For the Current Reporting Period	For the Previous Reporting Period
	Rs.	Rs.
37. EARNINGS PER SHARE		
After extraordinary item:		
Profit for the year after tax expense	8,577,329	7,350,251
Less: Preference dividend payable including dividend tax	—	—
	8,577,329	7,350,251
Weighted average number of equity shares	3,003,500	3,003,500
Earning per Share	(2.86)	(2.45)
Before extraordinary item:		
Profit for the year after tax expense	8,577,329	7,350,251
Adjustment for Extraordinary item (net of tax)	—	—
	8,577,329	7,350,251
Less: Preference dividend payable including dividend tax	—	—
	8,577,329	7,350,251
Weighted average number of equity Shares	3,003,500	3,003,500
Earning per Share	(2.86)	(2.45)

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 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 and 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 upto the date when such assets are ready for their intended use and other borrowing costs are charged to profit and loss account.

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 & Superannuation Funds which are defined contribution plans. The contributions 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.

b) **DEFINED BENEFIT PLANS :** Employees' 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 asset exceeds its recoverable amount, an impairment loss is recognized in the Profit and Loss account to the extent the carrying amount exceeds the recoverable amount.

PROXY FORM

MIVEN MACHINE TOOLS LIMITED

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

L.F. 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 27th Annual General Meeting
of the Company to be held on Friday, the 28th September, 2012 at 3-30 pm and any adjournment
thereof.

Signed this day of 2012.

Please affix
One Rupee
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 of 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 27th Annual General Meeting at the Registered Office of
the company at Tarihal Industrial Area, Tarihal, Hubli-580 026 on Friday the 28th September,
2012 at 3-30 p.m.

(Signature of Member / Proxy)