M M FORGINGS LIMITED

FORM NO.36

IN THE HIGH COURT OF JUDICATURE AT MADRAS

(ORDINARY ORIGINAL JURISDICTION)

COMPANY APPLICATION No.1273 OF 2010

IN THE MATTER OF COMPANIES ACT (ACT 1) OF 1956

AND

IN THE MATTER OF SECTION 391-394 OF THE COMPANIES ACT (ACT 1) OF 1956.

AND

IN THE MATTER OF M M FORGINGS LIMITED

(Company registered under the Indian Companies Act, 1913 (No.VII of 1913) and having its Registered Office at No.95, Anna Salai, Guindy, Chennai-600 032

AND

IN THE MATTER OF AMALGAMATION OF

SRIVATSA ELECTRIC & ELECTRONIC LIMITED

WITH

M M FORGINGS LIMITED

M.M.Forgings Ltd.
No.95, Anna Salai,
Chennai-600 032
Represented by its Authorised
Signatory and Company Secretary
Smt.J.Sumathi …Applicant/Transferee Company

NOTICE CONENING THE MEETING OF THE EQUITY SHARE HOLDERS

To

All Equity Shareholders
M M Forgings Limited

TAKE NOTICE that, by the order made on 27 July 2010, the Hon'ble High Court has directed that a meeting of the Equity Shareholders of the Applicant Company be held at on Friday, 27th August 2010 at 4.30 p.m., at "Narada Gana Sabha" (Mini Hall), 314, T.T.K.Road, Chennai-600 018, for the purpose of considering and if thought fit approving with or without modification, the scheme of arrangement as embodied in the proposed "Scheme of Amalgamation" of Srivatsa Electric & Electronic Limited" with M M Forgings Limited.

TAKE FURTHER NOTICE that, in pursuance of the said order, a Meeting of Equity Shareholders of the Applicant Company will be held at on Friday, 27th August 2010 at 4.30 p.m., at "Narada Gana Sabha" (Mini Hall), 314, T.T.K.Road, Chennai-600 018, which you are requested to attend.

TAKE FURTHER NOTICE that, you may attend and vote at the said meeting in person or by Proxy, provided that a Proxy in the prescribed form, duly signed by you, is deposited at Registered Office of the applicant Company at 95, Anna Salai, Chennai-600 032, not later than 48 hours before the meeting.

The quorum for the meeting shall be five members present in person or by proxy.

The Hon'ble High Court has appointed Shri. Vidyashankar Krishnan, to be the Chairman of the said Meeting.

A copy of the said Scheme of Amalgamation, the statement under Section 393 of the Companies Act, 1956 and a form of Proxy are enclosed.

Dated at Chennai, the 30th day of July 2010
Registered Office :
No.95, Anna Salai, Guindy, Chennai-600 032

Vidyashankar Krishnan
Chairman appointed for the Meeting

M M FORGINGS LIMITED

IN THE HIGH COURT OF JUDICATURE AT MADRAS
(ORDINARY ORIGINAL JURISDICTION)
COMPANY APPLICATION NO. 1273 of 2010
IN THE MATTER OF COMPANIES ACT (ACT 1) OF 1956
AND
IN THE MATTER OF SECTION 391-394 OF THE COMPANIES ACT (ACT 1) OF 1956.
AND
IN THE MATTER OF M M FORGINGS LIMITED
(Company registered under the Indian Companies Act, 1913 (No.VII of 1913) and having its Registered Office at No.95, Anna Salai, Guindy, Chennai-600 032
AND
IN THE MATTER OF AMALGAMATION OF
SRIVATSA ELECTRIC & ELECTRONIC LIMITED
WITH
M M FORGINGS LIMITED

M.M.Forgings Ltd.
No.95, Anna Salai, Chennai-600 032
Represented by its Authorised
Signatory and Company Secretary
Smt.J.Sumathi …Applicant/Transferee Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. 1.1 Pursuant to Order dated 27 July 2010 passed by the Madras High Court in the Company Application referred to above, a meeting of the Equity Shareholders of the Applicant Company is being convened on Friday, 27th August 2010 at 4.30 p.m., at "Narada Gana Sabha" (Mini Hall), 314, T.T.K.Road, Chennai-600 018, for the purpose of considering and, if thought fit, approving with or without modification, the Scheme of arrangement as embodied in the proposed Scheme of Amalgamation of Srivatsa Electric & Electronic Limited with M M Forgings Limited, which is annexed to the Notice.

1.2 The said order will be available for inspection at the Registered Office of the Applicant Company at No.95, Anna Salai, Guindy, Chennai-600 032 on any working day of the Applicant upto the date of the Meeting after receipt from the Court.

2. In this statement, Srivatsa Electric & Electronic Limited, is hereinafter referred to SEEL and is known as "Transferor Company" and M M Forgings Limited is hereinafter referred to as MMFL and is known as "Transferee Company".

3. The scheme has been approved by Board of the Transferor Company and of the Transferee Company at their meetings held on 21st October 2009.

4. (a) The Applicant Company was incorporated under the name and style of Madras Motors Limited on 21.2.1946 under the provisions of the Indian Companies Act, 1913 with

Registration No.134 of 1945-46 and subsequently changed its name to M/s.M M Forgings Limited and obtained fresh certificate of incorporation on April 1, 1993, with the Registrar of Companies, Madras and the Registration No. is 18- 1473.

(b) At present the shares of the Transferee Company are listed in Mumbai Stock Exchange and National Stock Exchange

(c) MMFL is engaged in the manufacture of Steel Forgings

5. SEEL was incorporated as a Private Limited Company on 13 June 1958 in the name of Gomathi Credit Corporation (P) Ltd. and later changed its name to M/s.Srivatsa Electric & Electronic Limited on 20.11.1985 and obtained fresh certificate of incorporation and the Registration No. is 18-3655

6. The authorised capital of SEEL as at March 31, 2010 is Rs.24,00,000/- divided into 24000 equity shares of Rs.100/- each. The issued, subscribed and paid-up capital is Rs.20,00,000/- divided into 20,000 equity shares of Rs.100/- each.

7. The amalgamation of the transferor company (SEEL) with the Transferee Company will be effected by a scheme of arrangement embodied in the scheme of amalgamation (hereinafter referred to as "Scheme") under section 391 to 394 of the Companies Act, 1956.

8. The reason of the proposed scheme will be as follows:

8.1 SEEL has no separate operation of its own as such and hence no employee exist

8.2 The fixed assets of SEEL including Plant & Machinery are being operated by MMFL only

8.3 Part of the premises of SEEL is being utilized as a godown which is a transit godown

8.4 MMFL holds 100% of the shares of SEEL. Hence, raison d'etre for the continued existence of SEEL

9. The scheme envisages that with effect from April 1, 2009 (The Appointed Date) all the assets, rights and properties of the Transferor Company shall stand transferred or be deemed to be transferred to the Transferee Company (MMFL) in the manner set out in the scheme and furthermore, with effect from the Appointed date, all the debts liabilities, duties and obligations of the Transferor Company shall also without any further act or deed, subject to the modalities for vesting as embodied in the said scheme, stand transferred or deemed to be transferred to the Transferee Company so as to become the properties and liabilities of the Transferee Company.

10. As SEEL is a subsidiary of the Transferee Company (MMF), the shares of the transferor company will be cancelled.

11. Subject to an order being made by the High Court of Madras under Section 394 of the Companies Act, 1956, the Transferor Company shall be dissolved without the process of winding upon the scheme becoming effective.

MEMBERS ARE REQUESTED TO READ IN DETAIL THE ENTIRE TEXT OF THE SCHEME OF AMALGAMATION WHICH IS ANNEXED TO THIS STAEMENT.

12. The Transferor Company SEEL is the wholly-owned subsidiary of MMFL.

13. Shri Vidyashankar Krishnan and Shri K.Venkatramanan are the common Directors of both the Companies. The Directors of the Transferee Company have no interest in the scheme except as shareholders in general, the extent which will appear in the Register of Directors' Shareholdings maintained by the Transferee Company which are as follows:

Name	No. of shares
Shri V.Narayanan	Nil
Shri. V.Vaidyanathan	6000
Shri. N.Srinivasan	Nil
Shri. Vidyashankar Krishnan	13,60,120
Shri. K.Venkatramanan	12,92,480

14. None of the Directors of the Transferor Company/Transferee Company have any material interest in the said scheme except as nominee shareholders, to comply with requirement of Section 49 of the Companies Act, 1956.

15. The creditors of the Transferor Company and the Transferee Company are not affected and their interest will be well protected since the proposed amalgamation is with the Holding Company of the Transferor Company.

16. Both the Transferor Company and the Transferee Company will make petitions under Section 391 and 394 and other applicable provisions of the Companies Act, 1956, to the Madras High Court for sanctioning the scheme and for dissolution of the Transferor Company without the process of winding up under the provisions of the Companies Act, 1956.

17. The scheme is conditional and subject to necessary sanctions and approvals as set out in the Scheme.

18. No investigation proceedings have been instituted or pending under Section 235 to 251 of the Companies Act, 1956 against the Transferor Company (SEEL)

19. It is in the interest of the shareholders of the Applicant Company that the said scheme of amalgamation of SEEL should be approved and accordingly the following resolution with or without modification will be moved at the meeting convened pursuant to this Notice.

"RESOLVED THAT", subject to such approvals as may be necessary from the Honourable High Court of Madras under Section 391 and other applicable provisions of the Companies Act, 1956 and such other statutory or other Authorities, the Scheme of Amalgamation of Srivatsa Electric & Electronic Limited with M M Forgings Limited (A copy of which is placed before the meeting and for the purpose of identification initialed by the Chairman of the Meeting) be and is hereby agreed and approved.

"FURTHER RESOLVED THAT", the Board of Directors of the Company and any person authorized by the Board of Directors, be and hereby severally authorized to take all such steps as may be necessary or desirable and do all such acts, deeds, things and matters, as may be considered necessary to give effect to the aforesaid scheme of amalgamation and this resolution and to accept such alteration, modification and/or conditions, if any, which may be proposed, required or imposed by the High Court of Judicature at Madras while sanctioning the said Scheme.

A copy of the Scheme and this statement under Section 393 of the said Act may be obtained from the Registered Office of the Transferee Company.

A copy of the audited annual report of the Transferee Company for the year ended 31st March 2010, may be obtained from the Registered Office of the Transferee Company. A copy of audited

annual report of the Transferor Company for the year ended 31st March 2010, may also be obtained from the Registered Office of the Transferee Company.

20. The following documents will be open for inspection at the Registered Office of the Transferee Company during the office hours on any working day, till the date of the meeting

20.1 The Memorandum and Article of Association of the Transferor Company.

20.2 The Memorandum and Article of Association of the Transferee Company.

20.3 Audited Balance Sheet as at March 31, 2010 and the Profit and Loss Account of the Transferor Company

20.4 Audited Balance Sheet as at March 31, 2010 and the Profit and Loss Account of the Transferee Company

20.5 Scheme of Amalgamation of SEEL with MMFL.

20.6 Certified copies of the Order dated 27 July 2010 passed by the Madras High Court in the Company Application referred to above, which will be available for the inspection after receipt from the Court.

20.7 Register of Directors' Shareholdings of the Transferor Company and the Transferee Company

20.8 Register of Members of the Transferor Company and the Transferee Company

21. This statement may also be treated as the statement under Section 173 as also under Section 393 of the Companies Act, 1956. A copy of the scheme and the explanatory statement may be obtained from the Registered Office of the Applicant Company.

Dated at Chennai, this, 30th July 2010

Vidyashankar Krishnan

Chairman appointed for the Meeting

Registered Office:

No.95, Anna Salai, Guindy, Chennai - 600 032.

SCHEME OF AMALGAMATION
OF
SRIVATSA ELECTRIC AND ELECTRONIC LTD.
WITH
M.M.FORGINGS LTD.

This Scheme of Amalgamation and Arrangement ("the scheme") is presented under Section 391 to 394 read with Section 78, 100 to 103 and other applicable provisions of the Companies Act, 1956. This Scheme is presented for the Amalgamation of **SRIVATSA ELECTRIC AND ELECTRONIC LTD.** with **M.M.FORGINGS LTD.**

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject of context, the following expressions shall have the following meanings:

1.1 SEEL (hereinafter referred to as "The Transferor Company or SEEL) a Company incorporated under the Companies Act, 1956 whose Registered Office is situated at No.95, Anna Salai, Chennai-32.

1.2 MM Forgings Ltd. (hereinafter referred to as "The Transferee Company" or MMFL) a Company incorporated under the Companies Act, 1956, whose Registered office is situated at No.95, Anna Salai, Chennai-32.

1.3 "The said Act" means the Companies Act, 1956 or any statutory modification or enactment thereof the time being in force.

1.4 "The Appointed Date" means 01 April 2009 or such other date as the High Court may direct

1.5 "The Effective Date" means the dates on which certified copies of the Order(s) of the High Court vesting the assets, property, liabilities, rights, duties, obligations and the like of the Transferor Company in the Transferee Company are filed with the Registrar of Companies concerned, after obtaining the consents, approvals, permissions, resolutions, agreements, sanction and orders necessary therefor.

1.6 "High Court" shall, for the purpose of this Scheme, mean for the Transferor Company Madras High Court and for the Transferee Company High Court of Judicature at Bombay and the expression shall include, all the powers of the High Court under the Chapter V of the Act being vested on the National Company Law Tribunal constituted under Section 10 FB of the Act, the National Company Law Tribunal and the provisions of the Act as applicable to the Scheme shall be construed accordingly.

1.7 "Undertaking" shall mean and include:

a. All the assets and properties and the entire business of the Transferor Company as on the Appointed Date, (hereinafter referred to as "the said assets")

b. All the debts, liabilities, contingent, duties, obligations and guarantees of the Transferor company as on the Appointed Date (hereinafter referred to as "the said liabilities)

c. Without prejudice to the generality of sub clause (a) above, the undertaking of the Transferor Company shall include all the Transferor Company's reserves, all the movable and the immovable properties, all other assets including investments in shares, debentures, bonds and other securities, claims, loans and advances, deposits, ownership rights, lease-hold rights, tenancy rights, hire purchase contracts, leased assets, lending contracts, revisions, powers; permits, authorities, licenses, consents, approvals, municipal permissions, industrial and other licenses, permits, authorizations, quota rights, registrations, import export licenses, bids, tenders, letter of intent, connection of water, electricity and drainage, sanctions, consents, product

registrations, quota rights, allotments, approvals, freehold land, buildings, factory building, plant & machinery, electrical installations and equipments, office equipment, effluent treatment plant, vehicle, tube well, capital expenditure on scientific research, software package, vehicles and contracts, engagements, titles, interest, benefits, allocations, exemptions, concessions, remissions, subsidies, tax deferrals, easement, tenancy rights, authorizations, trademarks, patents and other industrial and intellectual properties, import quotas, telephones, telex, facsimile, and other communication facilities and equipments, investments, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description, whatsoever, privileges, liberties, easements, advantages, benefits and approvals, and all necessary records, files, papers, process information, data catalogues and all books of accounts, documents and records relating thereof.

1.8 "The Scheme" means this Scheme of Amalgamation in its present form or with any modification(s) approved or imposed or directed by the High Court.

2. SHARE CAPITAL

2.1 The Authorized Share Capital of the Transferor Company is Rs.24,00,000/- divided into 24,000 Equity Shares of Rs.100/- each. The Issued, Subscribed and Paid-up Capital is Rs.20,00,000/- consisting of 20,000 Equity Shares of Rs.100/- each as on 31st March, 2009. It is an unlisted company.

2.2 The Authorized Share Capital of the Transferee Company is Rs.15,00,00,000/- divided into 1,50,00,000 Equity Shares of Rs.10/-each. The Issued, Subscribed and Paid-up Capital is Rs.12,07,04,000/- consisting of 1,20,70,400 Equity Shares of Rs.10/- each as on 31st March 2009. The Equity Shares of the Transferee Company are listed on the Bombay Stock Exchange and National Stock Exchange.

3. TRANSFER OF UNDERTAKING

3.1 With effect from the Appointed Date and subject to the provisions of this Scheme, the entire undertaking of the Transferor Company including the assets and liabilities as on the appointed date shall pursuant to Section 394(2)of the Act, without any further act, instrument or deed, be and shall stand transferred to and vested in and/ or be deemed to have been stood transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, title and interests and authorities of the Transferee Company, subject, however, to all charges, liens, mortgages, if any then affecting the same or any part thereof.

Provided always that except as provided herein, the Schemes shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company and which shall vest in the Transferee Company by virtues of the amalgamation and the Transferee company shall not be obliged to create any further or additional security after the amalgamation has become effective or otherwise unless specifically provided hereinafter.

3.2 The entire business of the Transferor Company as going concern and all the properties whether movable or immovable, real or personal, corporeal or incorporeal, present or contingent including but without being limited to all assets, fixed assets, capital work-in-progress, current assets and debtors, investments, rights, claims and powers, authorities, allotments, approvals and consents, reserves, provisions, permits, ownership rights, lease, tenancy rights, incentives, claims, rehabilitation schemes, funds, quota rights, import quotas, licences, registrations, contract, engagements, arrangements, brand, logos, patents, trade names, trade marks, copy rights, all other intellectual property rights, other intangibles of the Transferor Company whether registered

or unregistered or any variation therefor as a part of its name or in a style of business or otherwise other industrial rights and licences in respect thereof, lease, tenancy rights flats, telephones, telexes, facsimile connections, e-mail connections, internet connections, installations and utilities, benefits of agreements and arrangements, power, authorities, permits, allotments, approvals, permissions, sanctions, consents, privileges, liberties, easements, other assets, special status and other benefits that have accrued or which may accrue to the Transferor Company on and from the Appointed Date and prior to the Effective Date in connection with or in relation to the operation of the undertaking and all the rights, titles, interests, benefits and advantages of whatsoever nature and whatsoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company as on the Appointed Date and prior to the Effective Date shall, pursuant to the provision of Section 394(2) of the Act, without any further act, instrument or deed, be and stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company.

a. With effect from the Appointed Date, all the equity share, debenture, bonds, notes or other securities held by the Transferor Company, whether convertible into equity or not and whether quoted or not shall, without any further act or deed, be and stand transferred to the Transferee Company as also all the movables assets including cash in hand, if any, of the Transferor Company shall be capable of passing by manual delivery to the Transferee Company to the end and intent that the property therein passes to the Transferee Company on such delivery.

b. In respect of movable properties of the Transferor Company other than specified in Clause 3(2)(a) above, including sundry debtors, outstanding loans and advances, if any recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi Government, local and other authorities and bodies, the transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any or otherwise, give notice in such form as it may deem fit and proper to each person, debtor or depositee, as the case may be that pursuant to the High Court having sanctioned the Scheme, the said debt, loan, advance, or deposit be paid or made good or held on account of the Transferee Company as the person enlisted thereto the end intent that the right of the Transferor Company to recover or realize all such debts (including the debts payable by such person or depositee to the Transferor Company) stand transferred and assigned to the Transferee Company and that appropriate entries should be passed in its books to record the aforesaid changes.

3.3. With effect from the Appointed Date, all the debts, unsecured debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Transferor Company shall also under the provision of Sections 391 and 394 of the Act, without any further act or deed be transferred to or be deemed to be transferred to the Transferee Company so as to become as and from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to the contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provision of this clause.

3.4 It is clarified that all debts, loans and liabilities, contingent liabilities, duties and obligations of the Transferor Company as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company and al other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or upto the day of the Appointed Date shall be the debts, loans

and liabilities, contingent liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Transferee Company or on any income earned from those assets.

3.5 With effect from the Appointed Date all debts, liabilities, dues, duties and obligations including all income taxes, excise duty, customs duty, sales tax, value added tax, service tax and other Government and Semi-Government liabilities of the Transferor Company shall pursuant to the applicable provisions of the Act and without any further act or deed be also transferred or be deemed to be transferred to and vest in and be assumed by Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of Transferee Company on the same terms and conditions as were applicable to the Transferor Company.

4. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

Subject to the other provisions contained in the scheme, all contracts, deeds, bonds, debentures, agreements and other instruments of whatever nature to which the Transferor Company are a party subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and as effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

5. LEGAL PROCEEDINGS

If any suit, writ petition, appeal, revision or other proceedings of whatever nature (hereinafter called "the Proceedings") by or against the Transferor Company are pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. On and from the Effective Date, the Transferee Company shall and may initiate any legal proceedings for and on behalf of the Transferor Company.

6. OPERATIVE DATE OF THE SCHEME

The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date

7. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE:

With effect from the Appointed Date and upto the Effective Date, the Transferor Company:

7.1 Shall carry on and shall be deemed to be carrying on all its business activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company and all the profits or income accruing or arising to the Transferor Company or any cost, charges, expenditure or losses arising of incurred by it shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or cost, charges, expenditure or losses of the Transferee Company a

7.2 Shall in the ordinary course of its business activities, assign, transfer or sell or exchange or dispose of or deal with all or any part of the rights vested with or title and interest in the property, assets, immovable or movable properties including assignment, alienation, charge, mortgage, encumbrance or otherwise deal with the rights, title and interest in the actionable claims, debtors, and other assets, etc., with the consent of the Transferee Company and such acts or actions would be deemed to have been carried on by the Transferor Company and such acts or actions would be enforceable against or in favour of the Transferee Company and all the profits or incomes or losses or expenditure accruing or arising or incurred by the Transferor Company

shall, for all losses of the Transferee Company.

7.3 Hereby undertakes to carry on its business until the Effective Date with reasonable diligence, utmost prudence and shall not, without the written consent of the Transferee Company, alienate, charge or otherwise deal with the said undertaking or any part thereof except in the ordinary course of its business;

7.4 Shall not, without the written consent of the Transferee Company, undertake any new business

7.5 Shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business

7.6 Pay all statutory dues relating to the Undertaking for and on account of the Transferee Company.

8. ALLOTMENT OF SHARES

Since the Transferor Company is a wholly owned Subsidiary of the Transferee Company, the shares of the Transferor Company be treated as cancelled.

9. PROFITS, DIVIDENDS, BONUS / RIGHTS SHARES

9.1 With effect from the Appointed Date, the Transferor Company shall not without the prior written consent of the Transferee Company, utilize the profits, if any, for declaring or paying of any dividends and shall also not utilize, adjust or claim adjustment of profits, losses, as the case may be earned/incurred or suffered after the appointed date.

9.2 The Transferor Company shall not after the Appointed Date, issue or allot any further securities, either rights or bonus or otherwise without the prior written consent of the Board of Directors of the Transferee Company.

10. ACCOUNTING TREATMENT

10.1 The Transferee Company shall record all assets and liabilities recorded in the Books of Accounts of SEEL, which are transferred to and vested in the Transferee Company pursuant to the Scheme at their book values as on the Appointed Date.

10.2 The Reserves and Surplus of the Transferor Company, whether Capital or Revenue shall be recorded in the books of Transferee Company at

their existing carrying amounts in the same form as they appear in the books of Transferor Company as the Appointed date.

10.3 Upon the scheme becoming effective, pursuant to Section 78 and 100 of the Act, the debit balance in Profit and Loss Account of SEEL as appearing in the books of account of the Transferor Company shall be recorded in the books of Transferee Company at their existing carrying amounts.

10.4 Adjustment for differences in accounting policies:

In case of any differences in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the Free Reserve/General Reserve(s) of the Transferee Company to ensure that the financial statements of the Transferee Company reflects the financial position on the basis of consistent accounting policy.

The Transferee Company is expressly permitted to revise its income Tax returns and related TDS certificates and to claim refunds, advance tax credits and other benefits on the basis of the Opening Balance Sheet as above, become effective as on the date Appointed Date pursuant to the terms of this Scheme and its right to make such revisions in the Income Tax Returns and related tax deducted at source (TDS) certificates and the right to claim refunds, advance tax credits, pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly granted.

11. APPLICATIONS TO HIGH COURTS

The Transferor Company and the Transferee Company hereto shall, with all reasonable dispatch, make applications under Sections 391 and 394 of the said Act to the Madras High Court for sanctioning the Scheme for dissolution of the Transferor Company without winding up.

12. DISSOLUTION OF THE TRANSFEROR COMPANY

On the scheme becoming effective, the Transferor Company shall be dissolved without being wound up.

13. MODIFICATIONS/AMENDMENTS TO THE SCHEME

13.1 The Transferor Company (by its Directors or its duly authorized representative) and the Transferee Company (by its Directors or its duly authorized representative) may assent to any modification or amendment to the Scheme or agree to any terms and/or conditions which the Courts and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable for setting any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme and do all acts, deeds, and things as may be necessary, desirable or expedient for putting the Scheme into effect.

13.2 For the purpose of giving effect to the Scheme or to any modification thereof, the Directors of duly authorized representatives of the Transferee Company is hereby authorized to give such directions and/or to take such steps as may be necessary or desirable including any directions for setting any question or doubt or difficulty whatsoever that may arise.

14. SCHEME CODITIONAL ON APPROVALS/SANCTIONS

14.1 The approval of the Scheme by the requisite majorities of the members of the Transferor company and of the members and Unsecured Creditors of the Transferee Company.

14.2 The sanction of the High Court under Sections 391 to 394 of the said Act, in favour of the Transferor Company and the Transferee Company and to the necessary Order or Orders under Section 394 to 397 of the said Act, being obtained.

14.3 Any other sanction or approval of the Appropriate Authorities concerned, as may be considered necessary and appropriate by the respective Board of Directors of the Transferor Company and the Transferee Company being obtained and granted in respect of any of the matter for which such sanction or approval is required

14.4 The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority including Reserve Bank of India, which by law may be necessary for the implementation of this Scheme.

15. EFFECT OF NON RECEIPT OF APROVALS/SANCTIONS

In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order or Orders not being passed as aforesaid on or before 31.3.2010 or within such period or periods as may be agreed upon between the Transferor Company and the Transferee Company through their respective Board of Directors, the Scheme shall become null and void and each party shall bear and pay its respective cost, charges and expenses for and/or in connection with the Scheme.

16. EXPENSE CONNECTED WITH THE SCHEME

All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and implementing/ completing the terms and provisions of the Scheme and/or incidental to the completion of Amalgamation of the said Undertaking of the Transferor Company in pursuance of the Scheme shall be borne and paid solely by the Transferee Company.

M M FORGINGS LIMITED

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M M FORGINGS LIMITED

COURT MEETING OF THE EQUITY SHARE HOLDERS

Date : 27th August 2010
Day : Friday
Time : 4.30 p.m.
Venue : "Narada Gana Sabha" (Mini Hall)
314, T.T.K.Road, Chennai-600 018.