

## MAHINDRA FORGINGS LIMITED

Regd. Office: Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai - 400 018.

### AUDITED FINANCIAL RESULTS FOR YEAR ENDED 31st MARCH, 2008.

(Rs. in Lakhs)

Sr. No.	Particulars	Nine Months Ended	Quarter Ended		Year Ended		
			31.12.2007 (Unaudited)	31.03.2008 (Unaudited)	31.03.2007 (Unaudited)	31.03.2008 (Audited)	31.03.2007 (Audited)
1	Gross Sales/Income from Operations	18,396.93	6,123.88	6,190.82	24,520.82	24,587.75	234,982.02
	Less: Excise Duty	2,602.86	504.64	845.08	3,107.50	3,447.94	3,107.50
	Net Sales/Income from Operations	15,794.07	5,619.25	5,184.76	21,413.32	21,139.81	231,874.52
2	Other Income	169.75	512.61	213.95	682.37	561.10	1,225.12
3	Total Income (1+2)	15,963.83	6,131.86	5,398.71	22,095.68	21,700.91	233,099.64
4	Expenditure						
	a. (Increase)/decrease in stock in trade and work in progress	(579.97)	345.72	68.06	(234.24)	(1.85)	(3,909.46)
	b. Consumption of raw materials	9,707.38	3,159.18	3,037.58	12,866.56	12,601.10	115,694.08
	c. Purchase of traded goods		-	-	-	-	142.62
	d. Employee cost	1,112.47	244.48	196.03	1,356.95	1,035.07	55,838.50
	e. Depreciation	789.84	369.51	273.56	1,159.36	891.19	10,487.25
	f. Other expenditure	4,245.37	1,524.31	1,595.95	5,769.68	5,627.04	44,587.29
	Total	15,275.10	5,643.21	5,171.18	20,918.30	20,152.55	222,840.28
5	Interest	869.95	418.62	255.21	1,288.57	752.69	4,652.46
6	Exceptional items	1,365.48	438.32	479.34	1,803.80	1,818.50	2,463.69
7	Profit before Depreciation, Interest and Exceptional Items and Tax (3)-(4)+(4e)	1,478.58	858.16	501.09	2,336.74	2,439.54	20,746.61
8	Profit (+)/ Loss(-) from ordinary activities before tax (3)-(4+5+6)	(1,546.70)	(368.29)	(507.02)	(1,914.99)	(1,022.84)	3,143.21
9	Tax expenses						
	-Current Tax	(42.27)	0.27	43.50	(42.00)	43.50	2,830.78
	-Deferred Tax	(463.27)	(10.08)	(83.09)	(473.35)	176.57	(1,283.96)
	-Fringe Benefit Tax	17.55	-	3.49	17.55	10.20	17.55
10	Profit (+)/ Loss(-) from ordinary activities after tax (8-9)	(1,058.72)	(358.47)	(470.92)	(1,417.19)	(1,253.11)	1,578.84
11	Minority Interest						(1.51)
12	Net Profit after Minority Interest	(1,058.72)	(358.47)	(470.92)	(1,417.19)	(1,253.11)	1,580.35
13	Paid-up Equity Share Capital of Rs. 10 each	6,856.77	6,856.77	2,802.06	6,856.77	2,802.06	6,856.77
14	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year				73,425.70	11,480.99	85,836.75
15	(a) Basic EPS before Extraordinary Items for the period, for year to date and for the previous year	(1.54)	(0.52)	(1.68)	(2.07)	(4.47)	2.30
	(b) Diluted EPS before Extraordinary Items for the period, for year to date and for the previous year	(1.54)	(0.52)	(1.68)	(2.07)	(4.47)	2.30
	(c) Basic EPS after Extraordinary Items for the period, for year to date and for the previous year	(1.54)	(0.52)	(1.68)	(2.07)	(4.47)	2.30
	(d) Diluted EPS after Extraordinary Items for the period, for year to date and for the previous year	(1.54)	(0.52)	(1.68)	(2.07)	(4.47)	2.30
	Public shareholding						
	a) No of shares	14,820,206	27,041,397	14,820,206	27,041,397	14,820,206	27,041,397
	b) Percentage of shareholding	52.89%	39.44%	52.89%	39.44%	52.89%	39.44%

#### NOTES :

- The Honourable High Court of Judicature at Mumbai, vide its order dated November 23, 2007 has sanctioned the scheme of arrangement/amalgamation of Mahindra Stokes Holding Company Ltd. (MSHCL) ultimately holding Stokes Group of Companies, Mahindra Forgings Overseas Ltd. (MFOL) ultimately holding Jeco Group of Companies (now renamed as Mahindra Forgings Europe AG), and Mahindra Forgings Mauritius Ltd. (MFML) ultimately holding Schoeneweiss Group of Companies, with the Company (MFL). The Scheme is operative from the appointed date of April 01, 2007 and has come into effect (effective date) from December 27, 2007.
- a) The amalgamation has been accounted for under the "pooling of interests" method as prescribed by Accounting Standards (AS-14) issued by the Institute of Chartered Accountants of India. Consequent upon giving effect to the scheme of amalgamation, an amount of Rs. 57,670.77 Lacs arising as Surplus on Amalgamation has been included under 'Reserves'.
- b) Consequent upon the allotment of shares to the share holders of erstwhile MSHCL, MFOL & MFML in the agreed swap ratio, the paid up equity share capital increased by Rs.4,054.71 lacs and shareholding of Mahindra & Mahindra Limited, the holding company increased to 60.56% from 47.11%.
- As of last year, the Company followed the Accounting policy of writing off Dies over a period of two years. From the current year onwards, the Company has decided to write off the cost of Dies as and when incurred in view of their short life. If such Accounting Policy change had not taken place, PBT for the quarter and year ended would have been higher by Rs. 62.88 Lakhs and Rs. 485.91 Lakhs respectively.
- From 1st April 2007, the Company implemented SAP. During the year, the Company has moved from valuation of Raw material & Die steel inventory from 'Specific identification method' to 'Moving Weighted Average method'. However, it does not have any material impact on Profit / Loss of the Company.
- In accordance with Revised AS -11, net Foreign Exchange Gain of Rs. 153.59 Lakhs relating to acquisition of fixed assets has been adjusted in the Profit and Loss Account.
- Exceptional items includes amortisation of Goodwill Rs. 1738.53 Lakhs.
- Other Expenses includes amalgamation expenses of Rs. 151.45 lakhs
- Current tax includes reversal of earlier period's provisions of Rs. 43.00 Lakhs and provision for wealth tax of Rs. 1.00 Lakh
- The consolidated Financial Results have been prepared in accordance with Accounting Standard (AS) 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and includes financial results of its subsidiaries.
- The Company operates only in one business segment, viz. Forging Components. Hence, for the purpose of Consolidated accounts, the primary segment of the company is geographically identified on the basis of the production facilities and location of the customer i.e. India and Overseas.
- In the consolidated results, exceptional; items include: amortisation of goodwill Rs. 1738.53 Lakhs, loss of material Rs. 604.43 Lakhs and Redundancy Cost payable to Workmen Rs. 54.36 Lakhs.
- Figures for the previous year have been regrouped and rearranged wherever necessary.
- Current year being the first year of consolidation, comparative figures for the previous year are not furnished.
- The results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its Meeting held on 9th May, 2008
- During the quarter, there were no investor complaints. (Previous quarter Nil).

#### Segment-wise revenue, results and capital employed

(Rs. in Lakhs)

Sr. No.	Particulars	Year Ended
		31.03.2008 (Audited)
1	Segment Revenue	
	a) Indian	21,070.86
	b) Overseas	211,899.78
	c) Unallocated	-
	Total	232,970.64
	Less : Inter Segment Revenue	(143.89)
	Net Sales/Income from Operations	232,826.75
2	Segment profit / (loss) before tax and interest from	
	a) Indian	(11.96)
	b) Overseas	7,775.04
	c) Unallocated	32.59
	Total	7,795.67
	Less: (i) Other Un-allocable Expenditure net off	4,864.91
	(ii) Un-allocable income	(212.45)
	Total Profit Before Tax	3,143.21
3	Capital Employed (Segment assets - Segment Liabilities)	
	a) Indian	27937.49
	b) Overseas	78993.44
	c) Unallocated	-
	Total	106930.93

Note : Indian and Overseas segment comprises sales of Forgings in India and Outside India respectively.

For and behalf of Board of Directors

Sd/-

Hemant Luthra  
Director

Date : May 9, 2008  
Place : Mumbai