



M M FORGINGS LIMITED

Regd. Office : 'SVK Towers' A25, 8th Floor, Industrial Estate,
Guindy, Chennai - 600 032

74th Annual Report

and

Accounts for the year ended 31.03.2020



Notice To Shareholder

NOTICE IS HEREBY GIVEN THAT THE **SEVENTY FOURTH ANNUAL GENERAL MEETING** OF MM FORGINGS LIMITED will be held on **Tuesday, 29 September 2020 at 12.30 P.M** through Video Conferencing. The Company will conduct the meeting from Registered office i.e. 'SVK Towers', A 25, Industrial Estate, Guindy, Chennai – 600032 , which will be deemed to be the venue of the meeting to transact the following business:

ORDINARY BUSINESS:

1. to receive, consider and adopt the Financial Statements of the Company for the year ended 31 March, 2020 including Audited Balance Sheet as at 31 March, 2020 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri. K. Venkatramanan, (holding DIN No.00823317) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

3. RATIFICATION OF REMUNERATION PAID TO THE COST AUDITOR

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

“**RESOLVED THAT**, subject to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules 2014 (including any amendment therein) the reappointment of Shri. S. Hariharan, (CP No. 20864) Cost Accountant, Tiruchirappalli, as Cost Auditor to audit the cost records maintained by the Company for the Financial Year 2020-21 on a remuneration of ₹ 60,000 plus Out of pocket expenses of ₹ 15,000, totalling ₹ 75,000 and future remuneration as may be decided by the Board be and is hereby ratified.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board
For **MM FORGINGS LIMITED**

Place: Chennai
Date : 29 July 2020

J.SUMATHI
Company Secretary
Membership No. 8621



IMPORTANT NOTES:

1. Instructions for Shareholders attending the AGM through VC/OAVM are as under:

- 1.1 In view of the massive outbreak of the COVID -19 pandemic, social distancing is a norm to be followed. The Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed with personal presence of the members at the meeting. In terms of the circulars passed by the Ministry of Corporate Affairs in this regard, the 74th Annual General Meeting will be held through Video Conferencing or other Audio Visual means (OAVM). Hence, Members can attend and participate in the AGM through VC/ OAVM only.
- 1.2 Since the AGM is conducted through VC/ OAVM), there is no provision for appointment of proxies. Accordingly, appointment of proxies by the members will not be available.
- 1.3 Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/ OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- 1.4 Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- 1.5 Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 1.6 Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- 1.7 Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance, **atleast 7 days prior to the meeting** mentioning their name, demat-account number/folio number, email id, mobile number to corporate@mmforgings.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance advance, **atleast 5 days prior to the meeting** mentioning their name, demat account number/folio number, email id, mobile number to corporate@mmforgings.com, These queries will be replied to by the company suitably by email.
- 1.8 Only those shareholders who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting.

2 The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

- 3 Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
- 4 Date of Book closure for the purpose of Annual Closing : **Wednesday, 23 September 2020 to Tuesday, 29 September 2020.**
- 5 Under Section 124 of the Companies Act, 2013 and the Rules therein, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred ₹ 2,80,587/- pertaining to the interim dividend for the year 2011-12 on 30 May 2019 , to the Investor Education and Protection Fund of the Central Government. Those shareholders who have not claimed, can claim from the



Government. The Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2012-2019, as on the date of the 73rd Annual General Meeting (AGM) held on 29 August 2019 on the website of the IEPF viz. www.iepf.gov.in and on the Website of the Company, www.mmforgings.com. Members who have not encashed their dividend, are advised to write to the Company to claim their dividend.

- 6 Shares transferred under IEPF account of the government (taken on the basis of 2012 dividend unclaimed) :

There were no common shareholders to those who had not encashed the Dividend for seven consecutive years. Hence, no shares were transferred to IEPF account.

- 7 To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

- 8 The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

- 9 With effect from 01 April 2019, transfer of securities would be carried out only in dematerialized form, except in case of transmission or transposition of securities. Hence, the company will not entertain any requests of transfer of equity shares, if they are in physical form

- 10 Details under SEBI (LODR), in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice.

- 11 Electronic copy of the Annual Report for 2020 will be sent to all the members whose email IDs are registered with the Company/Depository Participants(s). Members who have not registered their email addresses with the company can get the same registered by following the procedure given under point no. 19.

- 12 Shareholders seeking any information with regard to accounts are request to send their queries through mail, at least 5 days before the meeting so as to enable the company to keep the information ready.

- 13 Reappointment of Shri. K. Venkatramanan retiring by rotation: Shri. K. Venkatramanan is liable to retire by rotation at the 74th AGM, and being eligible has offered himself for reappointment. Shri. K. Venkatramanan has a Bachelor of Engineering degree. He has 28 years of experience. He joined the Board as an Additional Director of the Company on 21st April 1997. With effect from February 24, 1999 he became the Joint Managing Director in this Company. The present reappointment with effect from, 01 September 2018 as Joint Managing Director was made at the AGM held on 11 July 2018 . He has been responsible for the tremendous growth in the sales and profits of the company. His accomplishments include a 10 fold increase in export sales.

- Disclosure of Relationship between Directors, Managers and KMP of the Company: Shri. K. Venkatramanan is brother of Shri. Vidyashankar Krishnan, Vice Chairman and Managing Director.
- Other Directorship : Refer Note 29 of Notes on accounts.
- No. of shares held in the Company : 25,84,960 shares (10.71%)

14. CDSL e-Voting System – For Remote e-voting and e-voting during AGM

- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended),



and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

- The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.mmforgings.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM. i.e. www.evotingindia.com)
- The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

The instructions for shareholders voting electronically are as under:

1. **The voting period begins Saturday, 26 September 2020 at 10.00 A.M. to Monday 28 September 2020 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Tuesday, 22 September 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**

Details of Scrutinizer : Shri. M. Damodaran, Practicing Company Secretary, Managing Partner of M Damodaran & Associates LLP (Membership No. 5837, C P No. 5081).

2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
3. The shareholders should log on to the e-voting website www.evotingindia.com.
4. Click on Shareholders.
5. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
6. Next enter the Image Verification as displayed and Click on Login.
7. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.



8. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none">• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (5).

9. After entering these details appropriately, click on "SUBMIT" tab.
10. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
11. For Members holding shares in physical form, the details can be used only for e- voting on the resolutions contained in this Notice.
12. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
13. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
14. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
15. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
16. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
17. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
18. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.



- 15 Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- 16 **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdsl.com.
- 17 All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection in electronic mode. Members can inspect the same by sending an email to corporate@mmforgings.com.
- 18 Corporate Members are requested to send an email to investors@cameoindia.com or corporate@mmforgings.com before e-voting/ attending the annual general meeting, a duly certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
19. **Process for those Shareholders whose email addresses are not registered with the Depositories / RTA, for obtaining login credentials for e- voting for the resolutions in this notice**
- For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company at corporate@mmforgings.com /RTA email id at “murali@cameoindia.com” or “Investor@cameoindia.com”.
 - For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card),AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.
 - The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.



20. The details of the process for e-voting at the Annual General Meeting are explained herein below:

- The procedure for e-Voting on the day of the meeting is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders who will be present in the meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.;
- Members who have already voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the meeting.
- If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.



EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

Item No. 3

Pursuant to the provisions contained in Rule 14 of the Companies (Audit and Auditors) Rules 2014, the appointment and remuneration paid to Shri. S. Hariharan, cost auditor appointed at the Board meeting dated 29 July 2020, ought to be ratified by the shareholders subsequently.

Accordingly, consent of the members is sought for passing the resolution as set out in the Notice for ratification for the financial year ending 31 March 2021.

The Board recommends the Resolutions as set out in item no. 3 of the Notice for approval of the Members as an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No.3

The above resolution does not affect any other company.

For **MM FORGINGS LIMITED**

Place : Chennai
Date : 29 July 2020

J.SUMATHI
Company Secretary
Membership No. 8621

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Board of Directors

Chairman

Shri. N. Srinivasan

Vice Chairman and Managing Director

Shri. Vidyashankar Krishnan

Company Secretary

Smt. J. Sumathi

Chief Financial Officer

Shri. R.Venkatakrishnan

Registered Office

'SVK Towers'

A25, 8th Floor, Industrial Estate,

Guindy, Chennai - 600 032

Phone : 044 -71601000

Fax No. 044- 71601010

E-mail : mmforge@mmforgings.com

Factories

Plant 1 - Singampunari – 630 502, Tamil Nadu

Plant 2 - Viralimalai – 621 316, Tamil Nadu

Plant 4 - Mathur Post – 602 105 Tamil Nadu

Plant 7 - Industrial Automation Division - 600 058, TN

Plant 8 - Rudrapur - 263 153 Uttarkand

(DVS Industries Pvt Ltd, Subsidiary Company)

Plant 9 - Kursi Road, Barabanki, UP 225001

Plant 5 - Windfarms

W1 - Panakudi - 627109 Tamil Nadu

W2 - Theni District - 625 531 Tamil Nadu

W3 - Tenkasi - 627 811 Tamil Nadu

W4 - Kallapalayam 641 201 Tamil Nadu

Plant 6 - Solar sites

S1 - Aruppukottai - 626105 Tamil Nadu

S2 - Viralimalai - 621 316 Tamil Nadu

Bankers

State Bank of India

FB,155, Anna Salai, Chennai – 600 002

Citibank N.A

163, Anna Salai, Chennai - 600002

ICICI Bank

No.1 Cenotaph Road, Chennai - 600018

Directors

Shri. V. Vaidyanathan

Shri. A. Gopalakrishnan

Smt. Kavitha Vijay

Jt. Managing Director

Shri. K. Venkatramanan

Statutory Auditors

Shri. G. R. Naresh Kumar

Membership No. 215577

GRNK & Co.

26/5, Akila Lands, Ganapathy Colony (South)

Thiruvanaikoil Post, Tiruchirapalli – 620 005

Phone No. 0431 4012931

Firm Registration No.: 016847S

Internal Auditor

Shri. Balaji Gopal

Cost Auditor

Shri. S. Hariharan

Sri Sapthagiri Homes

S.S. IInd Floor, Pulimandapam Road,

Srirangam, Trichy - 620006

Secretarial Auditor

Shri. V Shankar

2-1-2 B Block First Floor

Greata Pearl Apartments, 174/206,

Choolaimedu High Road, Chennai - 600 094

Ph : 044 23728925 C P No. 12974

Share Transfer Agents

Cameo Corporate Services Limited

'Subramanian Building', Fifth Floor

No. 1, Club House Road, Chennai – 600 002

Phone : 044 - 28460390—94

DBS Bank India Ltd

806, Anna Salai, Chennai - 600002

HDFC Bank Ltd

No. 115, Dr. Radhakrishna Salai,

Mylapore, Chennai – 600 004

Federal Bank

No. 61, Anna Salai, Chennai - 600002

**PERFORMANCE HISTORY**

(₹ in lakhs)

DESCRIPTION / YEAR	FY20	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10
INCOME											
Sales - Exports	38,236.89	46,355.03	35,559.47	29,314.40	33,743.07	35,059.10	29,112.09	25,396.52	23,905.35	18,294.07	10,417.74
- Domestic	32,853.57	42,381.88	24,531.62	16,728.26	15,162.74	13,891.22	10,961.82	9,627.13	10,476.61	8,295.11	5,426.22
- Total	71,090.46	88,736.91	60,091.09	46,042.66	48,905.81	48,950.32	40,073.91	35,023.65	34,381.96	26,589.18	15,843.96
Other Operating Income	1,638.67	1,655.29	1,970.63	1,797.02	1,320.07	1,303.08	1,069.56	1,088.14	641.29	622.89	598.47
Other Income	1,851.14	1,586.71	1,229.28	1,126.77	541.24	241.28	315.88	51.29	735.93	985.88	114.15
TOTAL INCOME	74,580.27	91,978.91	63,291.00	48,966.45	50,767.12	50,494.68	41,459.35	36,163.08	35,759.18	28,197.95	16,556.58
Operating Profit	14,370.27	18,911.64	13,673.40	10,401.98	11,343.00	11,318.14	8,209.96	5,829.22	6,781.57	6,346.99	2,958.76
Profit After Tax	4,623.76	8,135.04	6,850.73	4,342.22	5,008.84	5,054.82	2,931.90	2,444.96	2,675.46	2,971.09	1,041.66
Earnings per share	25.02	33.70	56.76	35.97	41.50	41.88	24.29	20.26	22.17	24.61	8.63
Dividend	50%	50%	100%	60%	60%	60%	40%	30%	30%	30%	15%
Dividend including tax paid	1,417.93	1,410.40	1,402.86	841.72	841.72	841.72	561.14	420.85	420.85	422.25	211.83
Dividend as a % to PAT	30.7%	17.3%	20.5%	19.4%	16.8%	16.7%	19.1%	17.2%	15.7%	14.2%	20.3%
Share Capital	2,414.08	2,414.08	1,207.04	1,207.04	1,207.04	1,207.04	1,207.04	1,207.04	1,207.04	1,207.04	1,207.04
Reserves & Surplus	44,416.47	41,210.66	35,700.59	30,252.69	26,752.19	22,585.00	18,371.91	16,001.18	13,977.08	11,722.53	9,177.11
Return on Capital Employed	11.8%	15.7%	16.9%	17.1%	22.7%	25.8%	22.5%	17.8%	19.3%	20.2%	14.0%
Return on Net Worth	25.0%	19.0%	17.1%	14.0%	17.6%	20.5%	14.5%	13.7%	17.7%	22.4%	9.3%
Working Capital	15,664.26	23,429.06	17,258.64	7,444.49	9,213.43	9,178.08	10,251.78	7,434.43	7,299.61	7,344.89	4,314.15
W C as a % to sales	21.0%	25.5%	27.3%	15.2%	18.1%	18.2%	24.7%	20.6%	20.4%	26.0%	26.1%
Current Ratio	2.05	1.85	1.74	2.36	2.00	1.92	1.41	1.50	1.54	1.47	1.50
TOL / NW	1.36	1.76	1.25	0.82	0.87	0.93	0.87	1.05	1.17	1.19	1.26
Debt / Equity	0.87	1.04	0.57	0.47	0.43	0.41	0.25	0.41	0.53	0.43	0.69

Director's Report

1. FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2020

	(₹ in Lakhs)	
	2019-20	2018-19
1.1. Forging Sales	71,090.46	88,736.91
1.2. Profit before exceptional items/extraordinary items and Tax	5,741.88	10,854.10
1.3. Exceptional/Extraordinary Items	0.44	2.41
1.4. Profit Before Tax	5,742.32	10,854.51
1.5. Tax		
For current year	818.12	2,100.00
Relating to previous years	1.86	92.49
Mat Credit Entitlement / adjusted	(818.12)	6.95
Deferred Tax	<u>1,116.70</u>	<u>522.03</u>
	1,118.56	2,721.47
Profit After Tax	4,623.76	8,135.04
2. DIVIDEND AND FINANCIAL RESULTS:		(₹ in Lakhs)
2.1. Profit After Tax	4,623.76	8,135.07
2.2. Balance in P & L Account	309.73	292.63
2.3. Profit available for appropriation	4,933.49	8,427.67
2.4. Transfer to General Reserve	3,400.00	6,700.00
2.5. Interim Dividend paid	1,417.93	708.97
2.6. Proposed Dividend	0.00	708.97
2.7. Balance carried forward	115.54	309.73

On 09 March 2020, the Directors declared a second interim dividend of 50%, ₹ 5/ per share of face value of ₹ 10/- each, by way of circular resolution.

The Directors do not recommend any final dividend for the year 2019-20.

3. SHARE CAPITAL

There was no change in the share capital during the year.

4. HIGHLIGHTS OF THE COMPANY'S OPERATIONAL PERFORMANCE

- 4.1 The Company's overall Revenue above ₹ 700 crores.
- 4.2 The Company's PBT is ₹ 57 crores.
- 4.3 The Company 's PAT stands at ₹ 46 crores.
- 4.4 The Company continues to be a net foreign exchange earner. The net foreign exchange earnings during the current year were ₹ 314.17 crores.
- 4.5 The Company has retained its ISO 9001 and TS 16949 Certification for its Quality Management.
- 4.6 The exports sales is ₹ 382.37 Crores and the domestic sales stands at ₹ 328.53 Crores.
- 4.7 Although there was decrease in the profits, the Company has retained 50% dividend for the year.

5. INDIAN ACCOUNTING STANDARD (IND AS) IFRS CONVERGED STANDARD

Pursuant to the notification of the Companies (Indian Accounting Standard) Rules, 2015 by the Ministry of Corporate Affairs (MCA) on 16 February 2015, the company has adopted Indian Accounting standards (IND AS).

6. EXPENSES MADE MORE THAN 10% OF THE TURNOVER

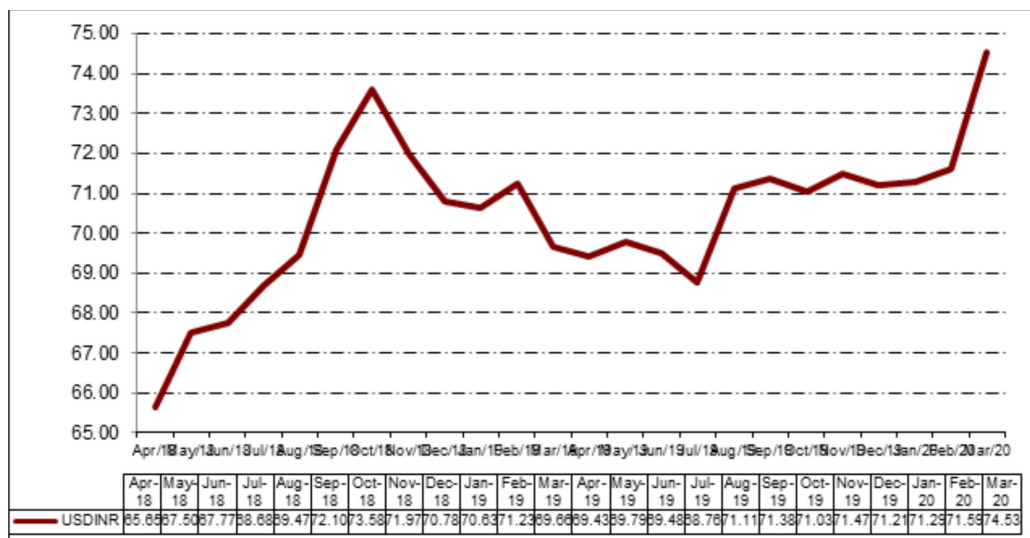
Raw Material	–	₹ 318.71 Crores (44.83 %)
Personnel	–	₹ 82.75 Crores (11.64 %)

7. MANAGEMENT DISCUSSION AND ANALYSIS :
GLOBAL SCENE

- As a result of the COVID-19 pandemic, the global economy is projected to contract sharply by more than 5% in 2020, much worse than during the 2008-09 financial crisis.
- Growth in the advanced economy group, where several economies are experiencing widespread outbreaks and deploying containment measures, is projected at -6% in 2020. Most economies in the group are forecast to contract this year, including the United States (-5.9%), Japan (-5.2%), the United Kingdom (-6.5%), Germany (-7%), France (-7.2%), Italy (-9.1%) and Spain (-8%).
- The group of emerging market and developing economies is projected to contract by -1% in 2020, excluding China, the growth rate for the group is expected to be -2.2%.
- Emerging Asia is projected to be the only region with a positive growth rate in 2020 (1%) albeit more than 5% points below its average in the previous decade.
- In China, where the recovery from the sharp contraction in the first quarter is underway, growth is projected at 1%, supported in part by policy stimulus.
- India's economy is projected to contract by approximately 5% following a longer period of lockdown, slower recovery, longer period of spread of Covid and than anticipated.
- The **Dow Jones Industrial Average (DJIA)** has decreased by approximately 14% in the last one year.
- Commodities – The Dow Jones Commodity Index (DJCI) has decreased by approximately 25% in the last one year.
- In 2021, the growth rate for emerging market and developing economies is projected to strengthen to 5.9%, largely reflecting the rebound forecast for China.

INDIA

- The Indian economy expanded 3.1 percent year-on-year in the first quarter of 2020, beating market forecasts of a 2.1 percent rise. It is the slowest GDP growth since quarterly data became available in 2004, as the country imposed a nationwide lockdown from March 24th aiming to contain the spread of the coronavirus.
- During F20 the automotive industry posted negative growth rates of approximately -15% in the car segment and -43% in the CV segment.
- Steel prices have decreased by about 16% compared to the lows in the previous year.
- The INR ended the year higher by approximately 7.35%, ending the year at a level of ₹ 74.53 per USD. Please refer graph below.

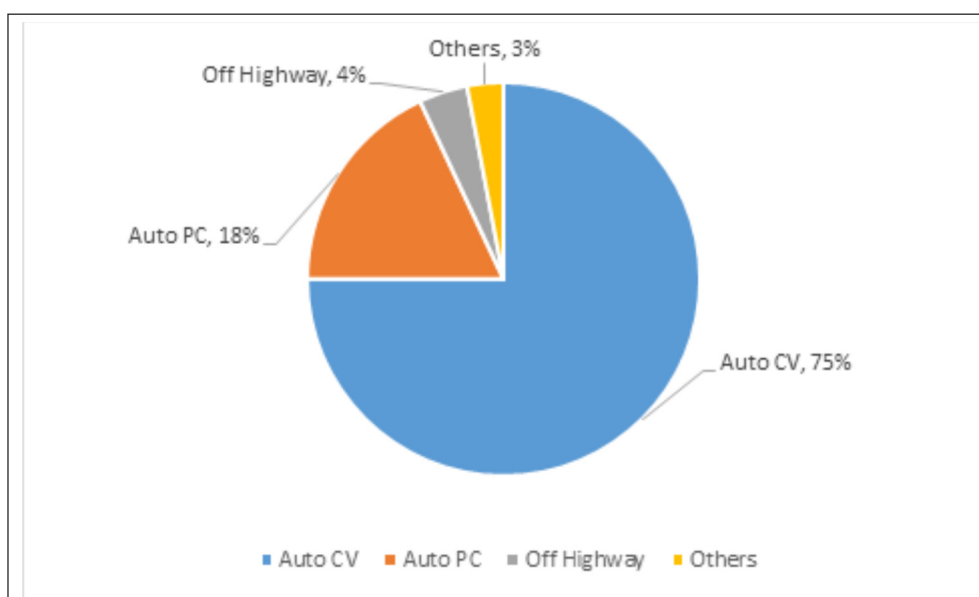




M M FORGINGS – Achievements

14. Despite the slow down in the auto sector the following were achieved during the year :
- ❖ Domestic sales : ₹ 328 crore
 - ❖ Export sales : ₹ 382 crore
 - ❖ Total sales : ₹ 710 crore
 - ❖ Overall sales : ₹ 745 crore
 - ❖ Production to near 46,000 Tons
 - ❖ Changes in steel prices which are in line with international markets are generally being passed on to customers as is the industry practice.
 - ❖ We had focussed on capacity utilisation, to take advantage of the production capacities created in the last 3 years.
 - ❖ Key financial ratios :

Inventory Turnover	:	4.82
Interest Coverage Ratio	:	3.79
Debt to EBITDA Ratio	:	1.65
Current Ratio	:	2.05
Debt Equity Ratio	:	0.87
Operating Profit Margin (%)	:	7.70%
Net Profit Margin (%)	:	6.20%
15. As highlighted in the Directors' Report, Return On Net Worth is 9.88% and Return On Capital Employed is 11.86%. The total outside liabilities to net worth stands at 1.36.
16. The details of segment-wise sales distribution are provided below:



Human Resources and Industrial Relations

17. Your company continues to focus on the development of its human resources to improve its performance. The company currently has approximately 1855 employees. It is their invaluable contribution that has primarily resulted in your company's position of strength in the industry.
18. Focus on a safe working atmosphere, constantly evolving systems for recognition and reward, consistent communication and imparting skills and training – all these focused on meeting customer needs, characterise the HR development of the Company.
19. Every year, each plant of the Company celebrates 'Founder's Day' in a family atmosphere with all employees and their household members.

Health, Safety and Environment

20. The Company follows a policy of zero tolerance towards accidents. Wherever possible, visible controls and fail-safe systems are provided to ensure prevention of accidents. Regular



communication, periodic reviews of practices and training play a vital role in maintaining safety standards.

21. The Company ensures compliance with all pollution control regulations. Adequate pollution control equipments have been installed to treat effluents and to control air pollution.

Risk Management

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

M M FORGINGS – forging ahead

25. Our goals in the coming months:
 - ❖ Focus on improving sales in keeping with market conditions.
 - ❖ Utilising the production capacity of 1,10,000 Tons.
 - ❖ Focus on cost reduction continuously - particularly on reducing energy consumption and improving productivity.
 - ❖ Enhance IT systems with the continued development of the ERP system in place.
 - ❖ Continue the evolution into green sources of energy in the coming months.
 - ❖ Reduce the impact on the environment.

Sources :

1. IMF World Economic Output
2. The Economist

8. TRANSFER TO RESERVE

Transfer to General Reserve - ₹ 67 Crores

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The company has made advance to the tune of ₹ 84.05 Crores to its Subsidiary Company, DVS Industries Private Limited, repayable at prevailing rates.

The details of the investments made by the company are given in the notes to the financial statements.

10. DIRECTORS

There has been no change in the constitution of Board of Directors during the year under review - the structure of the Board remains the same.

Smt. Kavitha Vijay was re-appointed for a period of 5 years with effect from 01 April 2020.

11. RETIRE BY ROTATION

Shri. K. Venkatramanan will retire by rotation and being eligible has offered himself for re-appointment.

12. DETAILS OF DIRECTORS OR KMP RESIGNED DURING THE YEAR – NIL

13. BOARD AND COMMITTEE MEETING DATES

Details are provided in Annexure III of this Report.

14. DETAILS OF RECOMMENDATIONS OF AUDIT COMMITTEE WHICH WERE NOT ACCEPTED BY THE BOARD ALONG WITH REASONS – None

13. RISK MANAGEMENT

Your Company has implemented a mechanism for risk management and has formulated a Risk Management Policy. The Policy provides for identification of risks and mitigation measures. The Audit Committee is informed on the risk assessment and minimizations mechanism adopted by the Company.

**14. RELATED PARTY TRANSACTION**

The Company has formulated a policy on related party transactions and the same is uploaded on the Company's website, <http://www.mmforgings.com/financials>

All Related Party transactions that were entered into by the Company during the financial year 2019-20 were in compliance of Section 188 of the Companies Act, 2013, and the Rules framed thereunder. There are no 'Material' contracts or arrangement or transactions at arm's length basis.

All Related Party transactions were placed before the Audit Committee for their prior approval in accordance with the requirements of the SEBI LODR. The transactions entered into pursuant to such approval are placed periodically before the Audit Committee for its review.

There are no materially significant Related Party transactions made by the Company with Promoters, Directors, and Key Managerial Personnel which may have a potential conflict with the interest of the Company at large.

For related party transactions, refer Annexure 3, under the head 'Disclosures'.

15. CORPORATE SOCIAL RESPONSIBILITY

A Board Level Committee of CSR has been constituted and the Board has adopted a CSR Policy as recommended by the Committee. The thrust areas of CSR Policy are Eradicating Hunger and Poverty, Education, Combating Diseases and Social Business Projects.

Amount to be spent under CSR for F20	-	₹ 163.75 lakhs
Amount spent in F20	-	₹ 231.15 lakhs
Excess spent for F20	-	₹ 67.40 lakhs

Annual report on CSR has been provided in Annexure III of this Report.

16. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

In terms of provision of section 178 of the Companies Act, 2013, read with Rules prescribed, a policy for the Directors, KMP and other employees has been adopted by the Board of Directors of the Company analyzing the criteria for determining qualifications, positive attributes and independence of a Director. The said Policy is provided in Company's website link <http://www.mmforgings.com/financials>.

17. PARTICULARS OF EMPLOYEES

The information required under the rules prescribed, has been given in the annexure appended hereto and forms part of this Report.

18. PARTICULARS PURSUANT TO SECTION 197(12) AND THE RELEVANT RULES :**18.1 The ratio of remuneration of each Director to the median remuneration of the employees:**

Name	Ratio
Shri. Srinivasan. N	0.00 : 1
Shri. Vaidyanathan. V	1.67 : 1
Shri. A.Gopalakrishnan	1.25 : 1
Ms. Kavitha Vijay	1.25 : 1
Shri. Vidyashankar Krishnan	128.91 : 1
Shri. K.Venkatramanan	128.82 : 1

For this purpose, sitting fees paid to the Directors have not been considered as remuneration.

18.2 Percentage increase in remuneration of each Director, KMP, in the financial year:

Name	% Increase
Shri. Srinivasan. N	-96.15 %
Shri. Vaidyanathan. V	-
Shri. A.Gopalakrishnan	-5.56 %
Ms. Kavitha Vijay	-
Shri. Vidyashankar Krishnan	-46.25 %
Shri. K.Venkatramanan	-46.25 %
Smt. J.Sumathi	-3.16 %
Shri R.Venkatakrishnan	-0.61 %

18.3 Percentage increase in median remuneration of employees is 1.20% in the financial year 2019-20.



18.4 The number of permanent employees on the rolls of Company : 1855.

18.5 Explanation of relationship between average increase in remuneration and company performance : PAT - (last year) - ₹ 8,135.04 Lakhs; PAT - (this year) - ₹ 4,623.76 Lakhs Decrease 43.16% against which, the average decrease in remuneration is 5.50%.

18.6 Comparison of remuneration of each KMP against performance of company

Name	Designation	CTC in ₹	% Decrease	PAT ₹ in Lakhs	% in PAT
Vidyashankar Krishnan	CEO	3,09,13,591	-46.25	4,623.76	-43.16
J.Sumathi	Company Secretary	10,99,004	-3.16		
R.Venkatakrishnan	CFO	15,91,448	-0.61		

18.7 Variation in market cap/net worth of company:

Date	Issued Capital (Shares)	Closing market Price per share in ₹	EPS	PE Ratio	Market Capitalisation ₹ in Crores
31.03.2019	24,140,800	544.00	33.70	16.14	1,313.26
31.03.2020	24,140,800	379.00	19.15	19.79	914.94

18.8 Justification of decrease in managerial remuneration with that of decrease in remuneration of other employees.

Average increase in Remuneration for employees other than Directors and KMP is 1.20%. Average decrease in Remuneration for KMP and Senior Management is 45.20%

18.9 Key parameters for any variable remuneration of Directors:

Directors are paid Commission. However, the overall managerial remuneration payable is subject to the provisions of the Companies Act, 2013.

18.10 Ratio of remuneration of highest paid Director to other employees who gets remuneration more than highest paid Director. – NOT APPLICABLE.

18.11 Is remuneration is as per remuneration policy of the Company: YES.

19. SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATIONS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:
Not applicable.

20. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED SINCE 31.03.2019 TILL THE DATE OF THE REPORT:

Not applicable

21. DIRECTORS RESPONSIBILITY STATEMENT:

The Directors have fulfilled their responsibility for the preparation of the accompanying financial statements by taking all reasonable steps to ensure that -

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

21.2 The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31 March 2020 and of the profit or loss of the company for that period ended on that date.

21.3 The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

21.4 The Directors had prepared the annual accounts on a going concern basis.

21.5 The Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

21.6 The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



22. ESTABLISHMENT OF VIGIL MECHANISM

The Company has in place a vigil mechanism pursuant to which a Whistle Blower Policy has been in vogue. The Whistle Blower Policy covering all employees and Directors is hosted on the Company's web, <http://www.mmforgings.com/financials>.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

23. ADEQUACY OF INTERNAL FINANCIAL CONTROL

The Company had laid down Internal Financial Controls and such internal financial controls are adequate with reference to the Financial Statements and were operating effectively.

It also ensures the orderly efficient conduct of its business, including adherence to Company's policies, the safe guarding of its assets, the prevention and detention of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information during the year, such controls were tested and bi-material weakness in the operations were observed.

24. CORPORATE GOVERNANCE REPORT

The guidelines evolved by SEBI were applicable to the company. The company is committed to ethical management and excellence in performance. Details are provided in Annexure III.

25. ANNUAL RETURN

An extract of Annual Return as on 31 March 2020 pursuant to Section 92 (3) of the Companies Act, 2013, and forming part of the report is attached separately.

26. A STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS;

1. Nomination and Remuneration Committee of the Board had prepared and sent through its Chairman draft parameterized feed back forms for evaluation of the Board, Independent Directors and Chairman.
2. Independent Directors at a meeting without anyone from the non-independent Directors and management, considered/evaluated the Board's performance, performance of the Chairman and other non-independent Directors. Their meeting was held on 16 November 2019.
3. The Board subsequently evaluated performance of the Board, the Committees and Independent Directors (without participation of the relevant Director)
4. i) Observations of board evaluation carried out for the year: The main inputs received from the Directors, covering various aspects of the Boards functioning was with regard to adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non Independent Directors and Top Managerial Personnel were carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

ii) Previous year's observations and actions taken - NIL

iii) Proposed actions based on current year observations - NIL

27. FAMILIARISATION OF PROGRAMME ARRANGED FOR INDEPENDENT DIRECTORS

- M M Forgings Limited has put in place a system to familiarise the Independent Directors about the company, its products, business and the on-going events relating to the company.
- Independent Directors of the Company are made aware of their role, responsibilities and liabilities at the time of their appointment / re-appointment, through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.



- They are also made aware of Company's Board and Board Committee framework, policies and procedures.
- As part of Board Discussions, presentations on business of the Company are made to the Directors from time to time.
- Important announcements and press releases for various news related to the company are forwarded to the Directors from time to time.
- Each member of the Board, including the independent Directors, have been given complete access to any information relating to the Company.
- You may also view the company website <http://www.mmforgings.com/financials> in this regard.

28. AUDITORS:

G R N K & Co., Chartered Accountants (FRN 016847S) have been appointed as the Statutory Auditors of the Company in the 71st Annual General Meeting held on 26 September 2017. They will hold office for a period of five years.

There is no audit qualification, reservation or adverse remark for the year under review.

29. SECRETARIAL AUDIT REPORT

Pursuant to the requirements of the Companies Act, 2013, the Company has appointed V.Shankar, Practicing Company Secretary (C.P. No. 12974) as the Secretarial Auditor for the financial year 2020-21 whose report of 29 July 2020 is attached separately to this report.

30. COST AUDITOR

Pursuant to the provisions contained in Rule 14 of the Companies (Audit and Auditors) Rules, 2014, Shri. S. Hariharan (CP No. 20864) has been appointed as Cost Auditor for the financial year 2020-21.

31. SUBSIDIARY COMPANY - DVS INDUSTRIES PRIVATE LIMITED

Incorporated in 1992, DVS Industries (with the paid-up share capital currently being ₹ 1,59,29,900/ and turnover of ₹ 41.87 Crores in FY 2019) is a North India based player with its manufacturing unit located in Pantnagar, Uttarakhand. DVS Industries is well equipped with robust manufacturing processes, precision equipment, in house tool room inspection facilities, well trained personnel etc.

32. EXPLANATION TO AUDITOR'S REMARK

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors and Company Secretary in practice in their reports respectively. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

33. SAFETY

Employees have been encouraged to adhere to safety in all their activities in and out of the Company premises. Safety training at all levels have been provided by the Company.

34. DEPOSITS:

The Company does not have any deposits. Fresh deposits are not being accepted by the Company.

35. ENERGY, TECHNOLOGY & FOREIGN EXCHANGE:

Disclosures as per requirements of Section 134 (3) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 with respect to Energy Conservation, Technology Absorption, Research & Development and Foreign Exchange Earnings / Outgo are given in Annexure

36. DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

All the Independent Directors have given the necessary declarations to the Company as required under sub section (6) of Section 149 of the Companies Act, 2013.

37. PROHIBITION AND REDRESSAL OF SEXUAL HARRASSMENT OF WOMEN AT WORK PLACE

During the year under review, pursuant to the new legislation, 'Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace Act, 2013, introduced by the Government of India, which came into effect from 09 December 2013, the Company has framed a Policy on



Prevention of Sexual Harassment at Workplace. There were no cases reported during the year under review under the said Policy.

Disclosures in relation to the Sexual Harassment of Women in work place :

No. of complaints filed during the year – 0

No of complaints disposed of during the year – 0

No of complaints pending as on the end of the financial year - 0

38. COVID 19

- The Company's operations were hit substantially from 24 March 2020 till the 1st week of May 2020, when lockdown was gradually lifted.
- The manufacturing facilities of the Company were shut down entirely during the lockdown phase as the Company was not part of Government denominated essential services.
- Corporate and regional offices were also shut, but the Company adopted Work From Home policy during the entire duration of the lockdown.
- With the gradual lifting of the lockdown restrictions, the Company has started its manufacturing operations after establishing thorough and well-rehearsed safety protocols.
- The Company is following Covid-19 guidelines, rules and regulations issued by central and state governments.

39. BUSINESS RESPONSIBILITY REPORT

The Report is attached to this Report. (Annexure 5)

40. INDEPENDENT DIRECTOR SELF ASSESSMENT TEST

- Shri. N. Srinivasan and Shri. V. Vaidyanathan are exempted from undergoing self assessment test.
- Shri A. Gopalakrishnan has passed the self assessment test conducted by the Ministry of Corporate affairs on 15 April 2020.

41. ACKNOWLEDGEMENT:

Your Directors would like to express their gratitude for the cooperation and continued assistance received from **Citibank N.A., DBS bank , HDFC Bank, State Bank of India, ICICI Bank and Federal Bank**

Your Directors wish to record their appreciation for the exemplary services rendered by the employees of the company. The results achieved would not have been possible but for their outstanding effort.

Above all the Directors thank the shareholders for their continued confidence in the management.

For and On behalf of the Board

Place : Chennai
Date : 29 July 2020

N. Srinivasan
Chairman
(DIN : 00116726)

Annexure I – to the Directors’ Report:

Information in accordance with Section 134 of the Companies Act, 2013, and as per (requirement of Rule 8(3) of The Companies (Accounts) Rules, 2014) and forming part of the report of the Directors for the year 31 March 2020.

(A) CONSERVATION OF ENERGY:

1. Energy conservation methods undertaken:
 - 1.1 Conservation of energy is a continuous process. We have spent around ₹ 5 lakhs to improve efficiency and saving on power consumption.
 - 1.2 Buildings are set up with natural lighting and energy efficient LED lights.
 - 1.3 Consumption of Light Diesel Oil and Furnace Oil is closely monitored to conserve energy.
 - 1.4 Extracting waste heat from forgings to reduce energy consumption in Heat Treatment.
2. Additional investment and proposals, if any, being implemented for the reduction in consumption of energy: Optimising energy consumption. Close monitoring of Power Consumption of Induction Billet Heaters to reduce power consumption.
3. Green Power : The Company has generated 211.40 lakh units from its Wind and 31.95 lakh units from Solar farms equivalent to approximately 19510 tons of CO₂ from Wind and 2949 tons of CO₂ from Solar, totalling a saving of 22,499 tons of CO₂ in the year.
4. Impact of measures at 1, 2 & 3 for reduction of energy consumption and consequent impact on the cost of production of goods: It is not possible to determine the figure.

	2019-20	2018-19
1 ELECTRICITY		
a. Purchased:		
Units	7,09,27,786	7,69,99,739
Total Amount (₹)	59,65,94,807	65,54,97,733
Rate / Unit (₹)	8.41	8.51
b. Own Generation:		
Units	1,88,555	5,74,488
Units per ltr	4.44	3.86
Cost / Unit (₹)	15.68	20.22
2 FUEL OIL		
Quantity (in ltrs)	24,02,420	34,21,846
Total amount (₹)	11,50,86,016	14,18,72,470
Average Rate (₹/ltr.)	47.90	41.46
3 CONSUMPTION PER UNIT OF PRODUCTION		
a. Electricity	Units	1,557
b. Fuel Oil	Litres	53

Note: No standards are available for comparison.

(B) TECHNOLOGY ABSORPTION:

RESEARCH AND DEVELOPMENT (R & D)

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

1. R & D efforts in a manufacturing industry like ours, is an ongoing process. Continuous efforts have been taken in various areas of the manufacturing activity.
2. Benefits derived as a result of the above R & D: It has not been possible to determine the figure.



3. Future plan of action:
Continuous efforts are being put in by way of Research & Development in all the areas of manufacturing to reduce the cost of major inputs such as steel, fuel, power, etc.
4. Expenditure on R & D: Not less than ₹ 100 lakhs though indirectly.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:
- 1.1. Continuous efforts are made on conservation of raw material by improving design and layout of dies.
- 1.2. The Company has upgraded its Quality Management Systems to TS 16949
2. Benefits derived as a result of the above efforts:
- 2.1. Reduction in raw material consumption.
- 2.2. With the accreditation to TS 16949 many new export customers are being developed.
- 2.3. Technology imported during the last 5 years: Nil

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

1	Activities relating	Exports at ₹ 38,236.89 lakhs form a significant part of the company's turnover (₹ 46,355.02 lakhs in 2018-19)
2	Initiatives taken to increase development of new export markets for products and services and export plan	a. Vigorous efforts are taken by marketing department to locate new multinational customers in addition to the existing multinationals. b. The Company has been consistently retaining the TS 16949 certification for its Quality Management system.
3	Total Foreign Exchange	Earned: ₹ 3,82,36,99,023 (₹ 4,63,55,02,165 in 2018-19) a. Used: ₹ 20,32,47,503 (₹ 1,21,49,10,723 in 2018-19)

For and On behalf of the Board

Place : Chennai
Date : 29 July 2020

N. Srinivasan
Chairman
(DIN : 00116726)



M M FORGINGS LIMITED

ANNEXURE II FORMING PART OF THE REPORT OF THE DIRECTORS

(Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Report of the Directors for the year ended 31.03.2020)

Sl. No	Sl. Name	Designation	Remuneration ₹	Qualification	Experience (years)	Date of Joining	Age	Last Employment	% of shares held in the Company
	a) Employed throughout the year and were in receipt of remuneration at a rate of not less than ₹ 24,00,000 per annum								
1	Shri Vidyashankar Krishnan DIN: 00081441	Vice Chairman and Managing Director	3,09,13,591	B.E.,M.S.	30	25.06.1990	54	Nil	11.27%
2	Shri. K.Venkatramanan DIN : 00823317	Jt. Managing Director	3,08,89,975	B.E.	28	24.01.1992	50	Nil	10.71%
	b) Employed for a part of the year and were in receipt of remuneration at a rate of not less than ₹ 8,50,000 per month								
								None	

Note:

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

For and on behalf of the Board

Place : Chennai
Date : 29 July 2020

N. Srinivasan
Chairman
(DIN : 00116726)

Annexure III - Report on Corporate Governance

1. Company's Philosophy On Code of Governance:

The Company is committed to good Corporate Governance, which to us means protection of shareholders' rights, enhancement of shareholder value and equitable treatment of all other stakeholders such as customers, suppliers and employees. The Company is committed to reporting financial information transparently, objectively and accurately. A judicious mix of empowerment based on trust and accountability forms the foundation of our management philosophy.

2. Board of Directors:

2.1. Composition and category of Directors as on 31 March 2020 is as follows:

Category	No. of Directors	%
Executive Directors	2	33.33
Non-executive, Independent Directors	4	66.67
Total	6	100.00

2.2. Attendance of each Director at the Board meetings and the last AGM:

Name of the Director	No. of Board Meetings (wherein he was a director)	No. of Board Meetings Attended	Last AGM attendance (Yes / No)
Shri. N. Srinivasan	4	2	No
Shri. V. Vaidyanathan	4	4	Yes
Shri. Vidyashankar Krishnan	4	4	Yes
Shri. K. Venkatramanan	4	4	No
Shri. A. Gopalakrishnan	4	2	No
Smt. Kavitha Vijay	4	3	No

2.3. The names of the listed entities where the person is a director and the category of directorship: Please refer Note 29 of notes on accounts.

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

Four Board Meetings were held during the year- 28 May 2019, 02 August 2019, 07 November 2019 and 13 February 2020.

2.5. **Number of other Boards or Board Committees in which the Directors are members or Chairman:** Refer Notes on Accounts.

2.6. Information placed before the Board of Directors, inter alia, include:

The Board has complete access to any information within the company. The information regularly supplied to the Board of Directors includes:

- Annual operating plans and budgets and any updates.
- Capital Budgets and any updates.
- Annual Accounts, Directors' Report etc.
- Quarterly Results of the Company.
- Minutes of the meetings of Audit Committee and other Committees of the Board.
- The information on recruitment and promotion of Senior Officers to the level of Executive Director which is just below the Board level.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences etc.
- Operational highlights.
- Major investments.
- Award of large contracts.
- Disclosure of interest by Directors about Directorship and committee positions occupied by them in other companies.
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- Quarterly Report on foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement
- Any significant development in Human Resources / Industrial Relations.
- Non-Compliance of any regulatory, statutory or listing requirements and shareholders services such as non-payment of Dividend, delay in share transfer etc.
- Short term investments.
- Information relating to any legal disputes.
- Other materially important information.

**2.7. Code of Conduct:**

The Board of Directors have laid out a Code of Conduct which is applicable to each member of the Board of Directors and Senior Management of the company. The Company has received confirmation from all the Directors and Senior Management of the Company regarding compliance with the said Code for the year ended March 31, 2020. A certificate from Shri Vidyashankar Krishnan, Vice Chairman and Managing Director to this effect is given below. The said Code is also posted on the website of the Company '<http://www.mmforgings.com/financials>

2.8. Prevention of Insider Trading:

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

2.9. Disclosure of relationship between Directors interse:

Shri. Vidyashankar Krishnan, Vice Chairman and Managing Director and Shri. K. Venkatramanan, Joint Managing Director are brothers.

2.10. No. of shares held by Non- Executive Directors:

Shri. V. Vaidyanathan -10500 shares
Shri. A.Gopalakrishnan – 1600 shares.

2.11. Weblink where details of familiarisation programmes imparted to Independent Directors is disclosed: <http://www.mmforgings.com/financials>**2.12. The table showing the expertise of the Directors:**

In the table below, specific areas of focus or expertise of individual Board Member, have been highlighted. However, the absence of a mark, against a member's name, does not necessarily mean the member does not possess the necessary qualification and other skill.

Name of the Director	Area of expertise					
	Financials	Leadership	Legal	Technology	Board service and Governance	Sales and marketing
N Srinivasan	yes	yes	-	yes	yes	yes
V Vaidyanathan	yes	yes	-	yes	yes	yes
Vidyashankar Krishnan	yes	yes	yes	yes	yes	yes
K Venkatramanan	-	yes	-	yes	yes	yes
A Gopalakrishnan	yes	-	-	yes	yes	yes
Kavitha Vijay	yes	-	yes	-	yes	-

2.13. Confirmation Certificate:

This is to affirm that all the Independent Directors fulfill the conditions specified in SEBI LODR and are independent of the management.

3. Audit Committee (AC):**3.1. Terms of reference:** The terms of reference of the AC are in accordance with Regulations 18 of SEBI (LODR) and the Committee deals with the following:

3.1.1. Reviewing the Company's internal control system, audit procedures, compliance with statutory and regulatory requirements, financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and correct.

3.1.2. It reviews quarterly, half yearly and annual financial statements with the management before submission to the Board with special emphasis on accounting policies and practices and legal requirements concerning financial statements

3.1.3. Recommending to the Board, the appointment, remuneration and terms of appointment and removal of Statutory Auditors and fixing their fees.

3.1.4. Risk Management analysis

3.1.5. Reviewing the auditor's independence and performance and also the effectiveness of the audit process.

3.1.6. Management Discussion and Analysis of financial condition and results of operations;

3.1.7. Statement of significant related party transactions.

3.1.8. The appointment and terms of remuneration of the chief Internal Auditor.

3.1.9. Reviewing the functioning of the whistle blower mechanism.

3.1.10. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary.

3.1.11. Internal audit reports relating to internal control weaknesses.

3.1.12. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower.

3.1.13. Any other terms of reference as may be included from time to time in accordance with SEBI (LODR)

3.2 Date of Meetings:

During the year under review, the Committee had 4 meetings held as follows:
28 May 2019, 02 August 2019, 07 November 2019 and 13 February 2020.

**3.3 Formation, Composition and attendance of AC Meetings:**

3.3.1 The AC of the Board was formed initially on 16 June 2001. The Committee was reconstituted on 01 April 2015.

3.3.2 The Committee has Non Executive Chairman: Shri. N.Srinivasan. Other members of the Committee are Shri. V. Vaidyanathan, Shri. Vidyashankar Krishnan, Shri. A. Gopalakrishnan and Smt. Kavitha Vijay

3.3.3 Attendance

Name	No. of AC Meetings	No. of AC Meetings attended
Shri. N. Srinivasan (Chairman)	4	2
Shri. V. Vaidyanathan	4	4
Shri. Vidyashankar Krishnan	4	4
Shri. A Gopalakrishnan	4	2
Smt. Kavitha Vijay	4	3

Statutory Auditors, Internal Auditor and the Chief Financial Officer were present in the meetings.

4 Stakeholders Relationship Committee :

4.1 **Terms of reference:** The terms of reference of the Stakeholders Relationship Committee are in accordance with Regulations 20 of SEBI (LODR) and the Committee deals with the following:

4.1.1 Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings/ unclaimed bonus shares etc.

4.1.2 Review of measures taken for effective exercise of voting rights by shareholders.

4.1.3 Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent.

4.1.4 Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

4.1.5 Any other terms of reference as may be included from time to time in accordance with SEBI (LODR)

4.2 Date of Meetings:

During the year under review, the Committee had 4 meetings held as follows:
28 May 2019, 02 August 2019, 07 November 2019 and 13 February 2020.

4.3 Formation, Composition and attendance of Stakeholders Relationship Committee Meetings:

4.3.1 The Committee of the Board was formed initially on 16 June 2001. The Committee was reconstituted on 01 April 2015.

4.3.2 Composition:

Non – Executive Chairman – Shri. V. Vaidyanathan

Other members: Shri. Vidyashankar Krishnan, Shri. K. Venkatramanan, Shri. A.Gopalakrishnan and Smt. Kavitha Vijay.

4.3.3 Attendance:

Name	No. of IGC Meetings	No. of IGC Meetings attended
Shri. V. Vaidyanathan (Chairman)	4	4
Shri. Vidyashankar Krishnan	4	4
Shri. K. Venkatramanan	4	4
Shri. A. Gopalakrishnan	4	2
Smt. Kavitha Vijay	4	3

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

4.3.5 No of Shareholder complaints received during the year: 0

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

4.3.7 No. of Pending Complaints : 0

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

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

5 Share Transfer Committee:

The Share Transfer Committee was formed on June 16, 2001. It considers transmission of shares issued by the Company, issue of duplicate certificates and certificates after split/ consolidation / renewal. During the year the Committee met 7 times.

6 Corporate Social Responsibility Committee:

6.1 **Terms of reference:** The CSR Committee, aims to ensure that corporate social responsibility with a positive impact on people and communities.

6.2 Date of Meeting:

During the year under review, the Committee had 4 meetings held as follows:
28 May 2019, 02 August 2019, 07 November 2019 and 13 February 2020

**6.3 Formation and attendance of CSR Committee Meetings:**

6.3.1. The Committee of the Board was formed initially on 01 April 2014. The Committee was reconstituted on 01 April 2015.

6.3.2 Attendance:

Name	No. of CSR Meetings	No. of CSR meetings attended
Shri. Vidyashankar Krishnan (Chairman)	4	4
Shri. V Vaidyanathan	4	4
Shri. K Venkatramanan	4	4
Shri. A Gopalakrishnan	4	2

6.4 Annual Report on CSR:

6.4.1 A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The CSR activities carried out by the Company are in accordance with the policy as laid down and approved by the CSR Committee. The CSR Policy is available in Company's website <http://www.mmforgings.com/financials>.

6.4.2 Composition of the Committee Shri. Vidyashankar Krishnan (Chairman), Shri. K. Venkatramanan, Shri V. Vaidyanathan and Shri. A. Gopalakrishnan.

6.4.3 Average net profits of the Company for last three financial years : ₹ 819.32 Crores.

6.4.4 Prescribed CSR expenditure (2% of the amount as in item no. 3 above) : ₹ 163.75 Lakhs for F20.

6.4.5 Details of CSR spent during the financial year :

6.4.5.1 Total amount spent for the financial year : ₹ 231.15 Lakhs

6.4.5.2 Amount unspent if any : NIL

6.4.5.3 Excess spent: ₹ 67.40 Lakhs

6.4.5.4 Manner in which the amount spent during the financial year is detailed below :

#	CSR projects or activities identified	Sector in which the Project is covered	Projects or programs 1) Local area or other (2) Specify the State, the district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects / programs Sub-heads: (1) Direct on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period (₹ in Lakhs)	Amount spent : Direct or through implementing agency
1	Eradicating Hunger and Poverty	Livelihood	Karnataka Tamil Nadu Uttaranchal	7.00	4.25	4.25	Direct
2	Education	Education	Maharashtra Tamil Nadu	156.00	155.50	159.75	Direct
3	Combating Diseases	Health	Delhi Karnataka Tamil Nadu	13.50	13.25	173.00	Direct
4	Social Business Projects	Social Business	Tamil Nadu	57.00	56.65	229.65	Direct
5	Gender equality & Empower Women	-	Tamil Nadu	1.50	1.50	1.50	Direct
TOTAL				235.00	231.15	231.15	

6.4.5.5 In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report : NOT APPLICABLE

6.4.5.6 A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company:

We hereby state that implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

Vidyashankar Krishnan
Chairman

V.Vaidyanathan
Director

**7. Nomination and Remuneration Committee:****7.1 Board's Policy:**

Nomination and Remuneration Policy has been framed by the Board of Directors. The present Human Resource Policy of the Company considers human resources as its invaluable assets and has its objective the payment of remuneration to all its employees, including Directors, Key Managerial Personnel and Senior Management, appropriate to employees' role and responsibilities and the Company's goals based on the performance of each of its employees in the Company. The Policy is provided in the Weblink: <http://www.mmforgings.com/financials>

7.2 Date of Meetings:

During the year under review, the Committee had 4 meetings held as follows:
28 May 2019, 02 August 2019, 07 November 2019 and 13 February 2020.

7.3 Formation, Composition and attendance of Nomination and Remuneration Committee Meetings:

7.3.1 The Committee of the Board was formed initially on 01 April 2014. The Committee was reconstituted on 01 April 2015, 01 April 2017.

7.3.2 Composition:

Non – Executive Chairman – Shri. V. Vaidyanathan

Other members: Shri. N Srinivasan and Shri. A.Gopalakrishnan and Smt. Kavitha Vijay.

7.3.3 Attendance:

Name	No. of IGC Meetings	No. of IGC Meetings attended
Shri. V. Vaidyanathan	4	4
Shri. N Srinivasan	4	2
Shri. A. Gopalakrishnan	4	2
Smt. Kavitha Vijay	4	3

7.4 Performance evaluation criteria for Non Executive Directors:

In respect of each of the evaluations factors, various aspects have been provided to assist with the evaluations process in respect of performance of Board itself, and of its Committees and individual Directors as, such evaluation factors may vary in accordance with their respective functions and duties.

Evaluation of Non Executive Directors shall be carried on by the entire Board in the same way as it is done for the Executive Directors of the Company except the Director getting evaluated.

Matters taken into consideration for performance evaluation.

- Attendance and participation in meetings
- Raising concerns to the Board
- Safeguard of confidential information
- Unbiased opinion for issues raised in the meetings.
- New ideas and suggestions made for the company
- Any other matter.

8 Whistle Blower Protection Committee:

8.1 Whistle Blower Policy: A Whistle Blower Policy has been framed by the Board of Directors for employees to report to the Management –

- Instances of unethical behaviour, actual or suspected, fraud or violation of the Company's Code or Ethics.
- In case of any event of misconduct, act of misdemeanor or act not in Company's interest, which could affect the business or reputation of the Company.

8.2 Date of Meetings:

During the year under review, the Committee had 4 meetings held as follows:
28 May 2019, 02 August 2019, 07 November 2019 and 13 February 2020.

8.3 Formation, Composition and attendance of Whistle Blower Committee Meetings:

8.3.1 The Committee of the Board was formed on 01 April 2014.

8.3.2 Composition:

Shri. Vidyashankar Krishnan (Chairman),

Other Members: Shri. K. Venkatramanan, Shri. N. Ramnath and Shri. M.N. Rajesekaran.

8.4 The Committee has not received any whistle Blower complaint in the current year.

**9 Directors' Remuneration:**

9.1 Remuneration of Vice Chairman and Managing Director and Joint Managing Director

	Shri. Vidyashankar Krishnan		Shri. K. Venkatramanan	
	2020	2019	2020	2019
Salary	185,50,000	2,73,11,562	1,85,50,000	2,73,11,562
Commission	89,00,000	2,52,00,000	89,00,000	2,52,00,000
Perquisites - PF	13,13,424	19,36,320	13,13,424	19,36,320
Superannuation	15,75,000	23,18,900	15,75,000	23,18,900
Gratuity	4,30,500	5,81,020	4,30,500	5,81,020
Others	1,44,667	1,61,996	1,21,051	1,19,635
Total	3,09,13,591	5,75,09,798	3,08,89,975	5,74,67,437

9.2 Remuneration of Non – Executive Directors:

		Commission in ₹	Sitting Fees in ₹	Total in ₹
Shri. N. Srinivasan	2018-19	7,50,000	45,000	7,95,000
	2019-20	-	30,000	30,000
Shri. V.Vaidyanathan	2018-19	4,00,000	60,000	4,60,000
	2019-20	4,00,000	80,000	4,80,000
Shri. A Gopalakrishnan	2018-19	3,00,000	60,000	3,60,000
	2019-20	3,00,000	40,000	3,40,000
Smt. Kavitha Vijay	2018-19	3,00,000	52,500	3,52,500
	2019-20	3,00,000	52,500	3,52,500

No benefits by way of remuneration or otherwise is received by Non Executive Directors other than above.

9.3 All pecuniary relationship of Non Executive Directors : Nil

9.4 Criteria of making payments to Non Executive Directors:

- Their contribution made to the Company.
- Taking into consideration their performance evaluation made by the Board.

10 Subsidiary Company

10.1 DVS Industries Private Limited is a 100% subsidiary company

11 General Meetings:

11.1 Location and time, where last three AGMs held:

Financial year	Date	Time	Location
2016-17	26 Sept 2017	11.45 AM	The Music Academy, Chennai
2017-18	11 July 2018	11.30 AM	The Music Academy, Chennai
2018-19	29 Aug 2019	11.30 AM	The Music Academy, Chennai
2019-20	29 Sept 2020	12.30 PM	Registered Office (VC)

11.2 Special Resolutions passed in the previous 3 AGMs:

11.2.1 Resolution passed in the AGM held on 11 July 2018:

- Sell, Lease, Mortgage/Charge The Properties Situated At Singampunari and Viralmalai.
- Increase In The Borrowing Limits Of The Company from ₹ 500 Crores to ₹ 1,500 Crores.
- Increasing The Authorized Share Capital from ₹ 15 Crores to ₹ 30 Crores.
- Issue of Bonus Shares in the ratio 1:1
- Re-appointment of Shri. Vidyashankar Krishnan (DIN : 00081441) as Managing Director for a period of 5 years with effect from 01 September 2018.
- Re-appointment of Shri. K Venkatramanan (DIN : 00823317) as Jt Managing Director for a period of 5 years with effect from 01 September 2018.
- Re-appointment of Shri. N Srinivasan (DIN : 00116726) as an Independent Director for a period of 5 years, with effect from 01 April 2019.
- Re-appointment of Shri V.Vaidyanathan (DIN : 0081792) as an Independent Director for a period of 5 years, with effect from 01 April 2019.



- Re-appointment of Shri A Gopalakrishnan (DIN : 06414546) as an Independent Director for a period of 5 years, with effect from 01 April 2019.
- Re-appointment of Smt. Kavitha Vijay (DIN : 01047261) as an Independent Director for a period of 5 years, with effect from 01 April 2020.

12 Disclosures:

12.1 There were no transactions of material nature with the Directors or the management or relatives of the Directors during the year.

12.2 Related party Transaction which is not of material nature: None.

12.3 Directors and Key Managerial Personnel are considered to be interested to the extent of their shareholding in the Company and following is the status of their shareholding as on 31 March 2020.

Name	Category	No. of shares	% to total
Shri. V.Vaidyanathan	Non-Executive Director	4,500	0.05
Shri. A.Gopalakrishnan	Non-Executive Director	1,600	0.01
Shri. Vidyashankar Krishnan	Executive Director	2,720,240	11.27
Shri. K. Venkatramanan	Executive Director	2,584,960	10.71
Smt. J. Sumathi	Company Secretary	400	0
Shri. R Venkatakrishnan	Chief Financial Officer	2,400	0.01

12.4 Compliances by the Company:

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during last year. No penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or other statutory authorities relating to the above.

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

12.6 Disclosures regarding appointment or reappointment of Director:

This year Shri. K. Venkatramanan, Joint Managing Director of the Company, shall retire and being eligible, offer himself for reappointment.

Given below is the brief resume of the Director:

Mr. K. Venkatramanan has a Bachelor of Engineering degree. He has 28 years of experience. He joined the Board as an Additional Director of the Company on 21st April 1997. With effect from February 24, 1999 he became the Joint Managing Director in this Company. He has been responsible for the tremendous growth in the sales and profits of the company. His accomplishments include a ten-fold increase in export sales.

12.7 Related party Disclosure:

12.7.1 Disclosure in compliance with the Accounting Standards: Refer note 29 under notes of accounts

12.7.2 Holding and subsidiary Company (DVS Industries Private Limited):

Sr. no.	In the accounts of	Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year.
1	Holding Company	The Company has made advance to the tune of ₹ 89.82 Crores to its Subsidiary Company, DVS Industries Private Limited, repayable at prevailing rates.

12.7.3 Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/ promoter group which hold(s) 10% or more shareholding in the listed entity.: NIL

13 Means of Communication

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

13.2 The financial results and the shareholding pattern for every quarter are uploaded in the website framed in this regard by the Bombay Stock Exchange Ltd and National Stock exchange Ltd. in the prescribed form, which would enable them to place it on their website www.bseindia.com and www.nseindia.com

13.3 The financial result, official news releases and presentation made to Institutional Investors are displayed on the website of the Company,

13.4 <http://www.mmforgings.com/financials>.::

14 General Shareholders Information :

14.1 Date, time and venue of the Annual General Meeting :

Annual General Meeting is proposed to be held on 29 September 2020 at 12.30 PM through VC. The venue of the Meeting will be the Registered Office.

Financial year :01 April 2019 to 31 March 2020

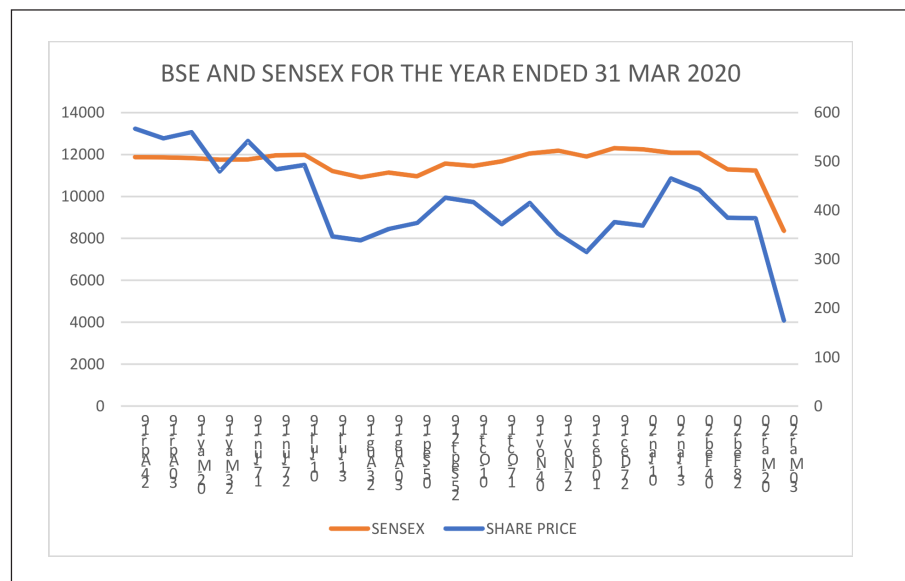
- 14.2 Record date and book closure during the year :
23 August 2019 to 29 August 2019 (book closure for annual closing)
20 March 2020 (for declaration of Dividend).
- 14.3 Listing on Stock Exchanges :
The shares of the Company are listed at:
- 14.3.1 Bombay Stock Exchange Limited :
Rotunda Building, P.J.Towers, First Floor, New Trading Wing, Dalal Street, Mumbai –400 001.
Annual Listing fees has been paid as on date.
- 14.3.2 National Stock Exchange of India Ltd :
'Exchange Plaza', Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051.
Annual Listing Fees has been paid as on date.
- 14.4 Stock Exchange Security Code :Physical :
Bombay Stock Exchange Scrip Code:522241. Name of the Scrip : MMFORG
National Stock Exchange Scrip Code: MMFL. Name of the Scrip : MMFL – EQ
- 14.4.1 The ISIN No. of the Company's equity shares in Demat form : INE227C01017.
- 14.4.2 Depository Connectivity : National Securities Depository Limited, Central Depository Services (India) Limited.
- 14.5 Registrar and Transfer Agents :
Cameo Corporate Services Limited, Unit: M M Forgings Limited, "Subramanian Building" Fifth Floor,
No. 1, Club House Road, Chennai – 600 002.
044-40020723; 044-40020726.
They are the Common Agency for all Investor Servicing activities relating to both electronic and physical segments.
- 14.6 Share Transfer System :
- The Share Transfer Agent acknowledges and executes transfers of securities. The Share Transfer Committee approves the transfers etc.
 - They arrange for issue of dividend. They reconcile the Dividend paid with that of the list of the shareholders.
 - They also accept, deal with and resolve complaints of the shareholders. Shareholder complaints are given top priority by the Company and are replied to, promptly by the Secretarial Department and Share Transfer Agents.
 - Remat requests are processed within the time prescribed.
 - Demat requests are processed within the time prescribed.
 - The Company's Registrar and Share Transfer Agents, Cameo Corporate Services Limited have adequate infrastructure to process the share transfers.
 - Reminders are sent by Share Transfer Agents in case of Undelivered Bonus shares.
- 14.7 Pattern of shareholding as on 31 March 2020 :

No. of equity shares held	No. of shareholders	% to total	No. of shares held	% of shareholding
1-500	7760	86.03	6,79,766	2.82
501-1000	758	8.40	5,86,494	2.43
1001-2000	245	2.72	3,75,406	1.55
2001-3000	59	0.65	1,49,526	0.62
3001-4000	37	0.41	1,38,382	0.57
4001-5000	17	0.19	81,829	0.34
5001-10000	50	0.56	3,54,801	1.47
10001 & above	94	1.04	2,17,74,596	90.20
TOTAL	9,020	100.00	2,41,40,800	100.00

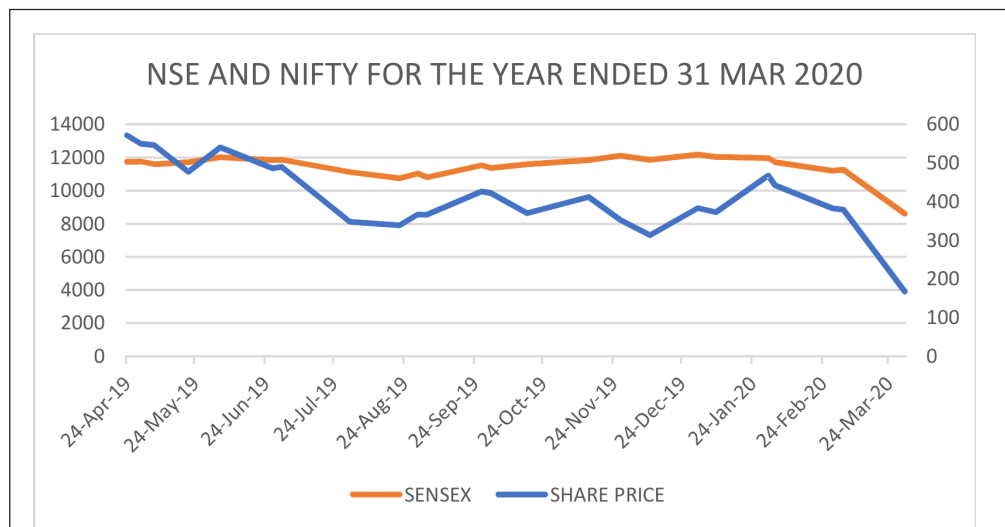
14.8 Shareholding pattern as on 31 March 2020 :

Category	No. of Share-holders	% to total	No. of shares held	% of share-holding
Resident Indians	8,558	94.88	44,21,748	18.32
FII	1	0.01	200	0.0000
Financial Institutions/ Banks	1	0.01	1,435	0.01
NRI's	270	2.99	1,17,442	0.49
Domestic Company	126	1.40	2,29,392	0.95
Trust	3	0.03	73,968	0.31
Mutual Funds	35	0.39	52,42,365	21.72
FPI	14	0.16	4,01,942	1.66
Alternative Inv Fund	1	0.01	50,000	0.21
IEPF	1	0.01	2,418	0.01
Promoters	10	0.11	1,35,99,890	56.33
Total	9020	100.00	24,140,800	100.00

14.9 Share Performance BSE vs SENSEX



14.10 Share Performance NSE vs Nifty





14.11 Share price data

Month	Bombay Stock Exchange		National Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-19	567	547	571	550
May-19	560	480	546	477
June-19	582	484	540	486
July-19	493	347	490	348
Aug-19	362	339	367	339
Sept-19	426	374	426	366
Oct-19	417	372	422	370
Nov-19	415	352	412	352
Dec-19	376	315	383	313
Jan-20	465	369	467	372
Feb-20	442	385	442	383
Mar-20	384	175	379	167

14.12 Dematerialisation of shares :

23,707,530 Shares (98.21%) dematerialized as on 31 March 2020.

Promoters: 13,599,890 (56.34%); Public: 10,107,640 (41.86%)

14.13 Details of public funding obtained in the last three years

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

14.15 Outstanding GDRs / ADRs / Warrants or any convertible instruments etc:

As on 31 March 2020 the company has not issued these types of securities

14.15 Plant Location :

Plant 1 - Singampunari – 630 502, Tamil Nadu

Plant 2 - Viralimalai – 621 316, Tamil Nadu

Plant 4 - Mathur Post – 602 105 Tamil Nadu

Plant 7 - Industrial Automation Division - 600 058, TN

Plant 8 - Rudrapur - 263 153 Uttarkand

(DVS Industries Pvt Ltd, Subsidiary Company)

Plant 9 - Kursi Road, Barabanki, UP 225001

Plant 5 - Windfarms

W1 - Panakudi - 627109 Tamil Nadu

W2 - Theni District - 625 531 Tamil Nadu

W3 - Tenkasi - 627 811 Tamil Nadu

W4 - Kallapalayam 641 201 Tamil Nadu

Plant 6 - Solar sites

S1 - Aruppukottai - 626105 Tamil Nadu

S2 - Viralimalai - 621 316 Tamil Nadu

14.16 Address for correspondence :

The Company's registered office is situated at 'SVK TOWERS', A 25, 8th Floor, Industrial Estate, Guindy, Chennai – 600032

Email: mmforge@mmforgings.com

14.17 Credit Ratings:

Facilities	Amount (₹ in Crores)	Rating	Rating Action
Long term Bank Facilities	564.53	CARE A; Stable (Single A; Outlook: Stable)	Revised from CARE A+; Negative (Single A Plus; Outlook: Negative)
Short term Bank Facilities	10.00	CARE A1 (AOne)	Revised from CARE A1+(AOne Plus)
Long term/Short-term Bank Facilities	182.00	CARE A; Stable/CARE A1 (Single A; Outlook: Stable/ AOne)	Revised from CARE A+; Negative/ CARE A1+ (Single A Plus; Outlook: Negative/ AOne Plus)
Total	756.53 (Rupees Seven hundred fifty six crore and fifty three lakhs only)		

14.18 Compliance Officer : Smt. J.Sumathi, Company Secretary

14.19 Exclusive Email id for redress of Investor Complaints : sumathi@mmforgings.com



- 14.20 Website : www.mmforgings.com
- 14.21 Details of Bonus shares unclaimed:
- 14.21.1 Details of Bonus shares in the suspense account :
No. of shareholders at the beginning of the year – 135
No. of outstanding shares at the beginning of the year – 23,100 shares
No. of shares Credited to suspense account (Bonus issue) on July 2018- 23,100 shares (Total – 46,200 shares)
No. of shareholders who approached the issuer for transfer of these shares during the year –3
No. of shareholders to whom shares were transferred – 3
No. of shares transferred during the year – 700
No. of shareholders at the end of the year – 132
No. of outstanding shares at the end of the year – 45,500 shares
- 14.21.2 Reminder letters have been sent to those shareholders who have not claimed their bonus shares.
- 15 Shares Transferred to IEPF account of the Government:
- 15.1 Shares transferred under IEPF account of the government (taken the basis of 2012 dividend unclaimed) – There were no common shareholders to those who had not encashed the Dividend for Seven consecutive years. Hence, no shares were transferred to IEPF account.
- 15.2 The list of shareholders, whose shares have been transferred to IEPF account (for the earlier years), is available at the Company's website, <http://www.mmforgings.com/financials>.
- 16 Other Disclosures:
- 16.1 Disclosures under materially significant related party transactions that may have potential conflict with the interests of the company : None
- 16.2 Details of Non Compliance, Penalties, Structures imposed on any matter connected with Capital market, during the last three years: Nil
- 16.3 The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for Directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the audit committee. The said policy has also been put up on the website of the Company.
- 16.4 All mandatory requirements have been disclosed and some non mandatory requirements have been adopted.
- 16.5 Policy for determining material subsidiary is disclosed in Company's website, <http://www.mmforgings.com/financials>
- 16.6 Policy for determining Related Party Transaction and policy for determining 'material' subsidiaries is disclosed in Company's website, <http://www.mmforgings.com/financials>
- 16.7 Commodity price risk and hedging activities : No hedging activities have been undertaken for commodity risk.
- 16.8 The Company has duly fulfilled the following discretionary requirements as described in Schedule II Part E of the SEBI Listing Regulations:
- 16.9 The Company has separate persons to the post of Chairperson and CEO (Clause D)
- 16.10 The necessary disclosures of the Compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 have been complied.
- 17 Total fees for all services, paid by the Company and its subsidiary company on a consolidated basis to the statutory auditor: ₹ 20.85 lakhs

For and On behalf of the Board

Place : Chennai
Date : 29 July 2020

N. Srinivasan
Chairman
(DIN : 00116726)



Annexure 4 – Auditors’ Certificate on Corporate Governance

To

The Members of M.M Forgings Limited

We have examined the compliance of conditions of Corporate Governance by M.M Forgings Ltd (‘the Company’) for the year ended 31st March 2020, as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulation’)

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

In Our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of Regulation 46 and paragraphs C, D, and E of Schedule V of the Listing Regulations, as applicable.

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

Restrictions on Use

This Certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For G R N K & CO
CHARTERED ACCOUNTANTS
Firm Registration No. 016847S

G.R. NARESH KUMAR
Proprietor
(Membership no. 215577)

Place: Tiruchirapalli
Date : 29.07.2020

CEO and CFO Certification

We hereby certify that

We, Vidyashankar Krishnan, Vice Chairman and Managing Director and R. Venkatakrishnan, Chief Financial Officer certify that:

1. We have reviewed the financial statements and cash flow statement for the year ended 31st March 2020 and to the best of our knowledge and belief :
 - 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) these statements together present a true and fair view of the Company’s affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2020 are fraudulent, illegal or violative of the Company’s code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.



4. 1) There has not been any significant change in internal control over financial reporting during the year under reference;
- 2) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
- 3) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : Chennai
Date : 29 July 2020

Vidyashankar Krishnan
Vice Chairman and Managing Director
(Din :00081441)

R. Venkatakrishnan
Chief Financial Officer

Declaration to the Members pursuant to SEBI (LODR)

M M Forgings Ltd has laid down a code of conduct for all Board members and Senior Management. All the Directors and the Senior Management personnel of the company have affirmed compliance with the Code of Conduct, for the Financial Year ended 31 March 2020.

For M M Forgings Limited

Place : Chennai
Date : 29 July 2020

Vidyashankar Krishnan
Vice Chairman and Managing Director
(DIN : 00081441)

ANNEXURE IV TO DIRECTORS' REPORT
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31 March 2020

[Pursuant to section 92(3) of the Companies Act, 2013, and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS:

- i) CIN:- L51102TN1946PLC001473
- ii) Registration Date : 21 February 1946
- iii) Name of the Company : M M Forgings Limited
- iv) Category / Sub-Category of the Company : Manufacturing
- v) Address of the Registered office and contact details: ' SVK Towers' A 24/25, Thiru-vi-ka Industrial Estate, Guindy, Chennai - 600032. Phone : 044 71601000 Fax : 044 71601010
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer

Agent, if any : Cameo Corporate Services Limited, Unit: M M Forgings Limited, "Subramanian Building" Fifth Floor, No. 1, Club House Road, Chennai – 600 002. Ph : 044 - 28460390-94

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Forgings	25910	96%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and address of the Company	CIN/GLN	Holding/Subsidiary / Associate	% of sharesheld	ApplicableSection
1	DVS Industries Private Ltd	U74899DL1992PTC 049221	Subsidiary Company	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of the director	No. of Shares held at the beginning of the year – 31.03.2019				No. of Shares held at the end of the year – 31.03.2020				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
A. Individuals/Hindu Undivided family	1561490	0	1561490	6.46	1561490	0	1561490	6.46	0.00
B. Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
C. Bodies Corporate	6733200	0	6733200	27.89	6733200	0	6733200	27.89	0.00
D. Financial Institutions/Banks	0	0	0	0.00	0	0	0	0.00	0.00
E. Any Other									
Directors and Their Relatives	5305200	0	5305200	21.97	5305200	0	5305200	21.97	0.00
	5305200	0	5305200	21.97	5305200	0	5305200	21.97	0.00
SUB - TOTAL (A)(1)	13599890	0	13599890	56.33	13599890	0	13599890	56.33	0.00


j) Category-wise Share Holding

Category of the director	No. of Shares held at the beginning of the year-31.3.2019				No. of Shares held at the end of the year-31.3.2020				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Foreign									
A. Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
B. Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
C. Institutions	0	0	0	0.00	0	0	0	0.00	0.00
D. Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
E. Any Other									
SUB - TOTAL (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Share Holding of promoter And Promoter group (A) = (A)(1)+(A)(2)	13599890	0	13599890	56.33	13599890	0	13599890	56.33	0.00
B. PUBLIC SHARE-HOLDING									
1. Institutions									
A. Mutual Funds/UTI	5134974	4800	5139774	21.29	5237565	4800	5242365	21.71	0.42
B. Financial Institutions/Banks	3551	0	3551	0.01	1435	0	1435	0.00	-0.00
C. Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
E. Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
F. Foreign Institutional investors	0	200	200	0.00	0	200	200	0.00	0.00
G. Foreign Venture capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
H. Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
I. Any Other									
Alternate Investment Funds	65078	0	65078	0.26	50000	0	50000	0.20	-0.06
Foreign Portfolio investor (Corporate) Category I	0	0	0	0.00	371065	0	371065	1.53	1.53
Foreign Portfolio investor (Corporate) Category II	289961	0	289961	1.20	30877	0	30877	0.12	-1.07
	355039	0	355039	1.47	451942	0	451942	1.87	0.40
SUB - TOTAL (B)(1)	5493564	5000	5498564	22.77	5690942	5000	5695942	23.59	0.81
2. NON-INSTITUTIONS									
A. Bodies Corporate	441887	5700	447587	1.85	332753	5700	338453	1.40	-0.45
B. Individuals -									
I Individual Shareholders holding Nominal Share Capital upto Rs. 1 Lakh	1990107	239436	2229543	9.23	1790708	231634	2022342	8.37	-0.85
II Individual Shareholders holding Nominal Share Capital in Excess of Rs. 1 Lakh	1833324	170400	2003724	8.30	1963249	170400	2133649	8.83	0.53
C. Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
D. Any Other									
Clearing Members	2619	0	2619	0.01	8701	0	8701	0.03	0.02
Directors and their Relatives	0	0	0	0.00	1	0	1	0.00	0.00
Hindu Undivided Families	152965	3736	156701	0.64	144258	3736	147994	0.61	-0.03
Iepf	2418	0	2418	0.01	2418	0	2418	0.01	0.00
Non Resident Indians	108307	17800	126107	0.52	100642	16800	117442	0.48	-0.03
Trusts	73647	0	73647	0.30	73968	0	73968	0.30	0.00
	339956	21536	361492	1.49	329988	20536	350524	1.45	-0.04
SUB - TOTAL (B)(2)	4605274	437072	5042346	20.88	4416698	428270	4844968	20.06	-0.81
Total Public Share Holding (B) = (B)(1)+(B)(2)	10098838	442072	10540910	43.66	10107640	433270	10540910	43.66	0.00
TOTAL (A)+(B)	23698728	442072	24140800	100.00	23707530	433270	24140800	100.00	0.00

**i) Category-wise Share Holding**

Category of the director	No. of Shares held at the beginning of the year-31.3.2019				No. of Shares held at the end of the year - 31.3.2020				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
C. Shares held by custodians and against which depository receipts have been issued									
PROMOTER AND PROMOTER GROUP	0	0	0	0.00	0	0	0	0.00	0.00
PUBLIC	0	0	0	0.00	0	0	0	0.00	0.00
TOTAL CUSTODIAN (C)	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A)+(B)+(C)	23698728	442072	24140800	100.00	23707530	433270	24140800	100.00	0.00

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year - 31.3.2019			Shareholding at the end of the year - 31.3.2020			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	SYNMAX CONSULTANTS & TRADING PVT LTD	5796000	24.00	0.00	5796000	24.00	0.0000	0.00
2	VIDYASHANKAR KRISHNAN JT1 : SUMITA VIDYASHANKAR	2720240	11.26	0.00	2720240	11.26	0.0000	0.00
3	K VENKATRAMANAN	2584960	10.70	0.00	2584960	10.70	0.0000	0.00
4	SIVA SUNDAR PRIVATE LTD	937200	3.88	0.00	937200	3.88	0.0000	0.00
5	S LAKSHMAN	743998	3.08	0.00	743998	3.08	0.0000	0.00
6	LAKSHMI RAMACHANDRAN	567980	2.35	0.00	567980	2.35	0.0000	0.00
7	R SUBRAMONIAN JT1 : SUMITA VIDYASHANKAR	155200	0.64	0.00	155200	0.64	0.0000	0.00
8	AJAY SHANKAR RAMACHANDRAN	54000	0.22	0.00	54000	0.22	0.0000	0.00
9	SUMITA VIDYASHANKAR JT1 : VIDYASHANKAR KRISHNAN	32800	0.13	0.00	32800	0.13	0.0000	0.00
10	VIJAY SUNDAR RAMACHANDRAN	7512	0.03	0.00	7512	0.03	0.0000	0.00

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year- 31.3.2019		Cumulative Shareholding during the year- 31.3.2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SYNMAX CONSULTANTS & TRADING PVT LTD At the beginning of the year 30-Mar-2019 At the end of the Year 31-Mar-2020	5796000 5796000	24.00 24.00	5796000 5796000	24.00 24.00
2	VIDYASHANKAR KRISHNAN JT1 : SUMITA VIDYASHANKAR At the beginning of the year 30-Mar-2019 At the end of the Year 31-Mar-2020	2720240 2720240	11.26 11.26	2720240 2720240	11.26 11.26
3	K VENKATRAMANAN At the beginning of the year 30-Mar-2019 At the end of the Year 31-Mar-2020	2584960 2584960	10.70 10.70	2584960 2584960	10.70 10.70
4	SIVA SUNDAR PRIVATE LTD At the beginning of the year 30-Mar-2019 At the end of the Year 31-Mar-2020	937200 937200	3.88 3.88	937200 937200	3.88 3.88
5	S LAKSHMAN At the beginning of the year 30-Mar-2019 At the end of the Year 31-Mar-2020	743998 743998	3.08 3.08	743998 743998	3.08 3.08
6	LAKSHMI RAMACHANDRAN At the beginning of the year 30-Mar-2019 At the end of the Year 31-Mar-2020	567980 567980	2.35 2.35	567980 567980	2.35 2.35
7	R SUBRAMONIAN JT1 : SUMITA VIDYASHANKAR At the beginning of the year 30-Mar-2019 At the end of the Year 31-Mar-2020	155200 155200	0.64 0.64	155200 155200	0.64 0.64
8	AJAY SHANKAR RAMACHANDRAN At the beginning of the year 30-Mar-2019 At the end of the Year 31-Mar-2020	54000 54000	0.22 0.22	54000 54000	0.22 0.22
9	SUMITA VIDYASHANKAR JT1 : VIDYASHANKAR KRISHNAN At the beginning of the year 30-Mar-2019 At the end of the Year 31-Mar-2020	32800 32800	0.13 0.13	32800 32800	0.13 0.13
10	VIJAY SUNDAR RAMACHANDRAN At the beginning of the year 30-Mar-2019 At the end of the Year 31-Mar-2020	7512 7512	0.03 0.03	7512 7512	0.03 0.03


(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 31.3.2019		Cumulative Shareholding during the year 31.3.2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	L & T MUTUAL FUND TRUSTEE LIMITED-L & T EMERGING BUSINESSES FUND At the beginning of the year 30-Mar-2019	1413324	5.85	1413324	5.85
	Sale 03-May-2019	-19961	0.08	1393363	5.77
	Sale 21-Jun-2019	-141648	0.58	1251715	5.18
	Sale 28-Jun-2019	-8033	0.03	1243682	5.15
	Sale 26-Jul-2019	-32937	0.13	1210745	5.01
	Sale 30-Aug-2019	-50000	0.20	1160745	4.80
	Purchase 17-Jan-2020	4504	0.01	1165249	4.82
	At the end of the Year 31-Mar-2020	1165249	4.82	1165249	4.82
1	L & T MUTUAL FUND TRUSTEE LIMITED - L & T EMERGING OPPORTUNITIES FUND - SERIES At the beginning of the year 30-Mar-2019	132341	0.54	132341	0.54
	At the end of the Year 31-Mar-2020	132341	0.54	132341	0.54
2	FRANKLIN INDIA SMALLER COMPANIES FUND At the beginning of the year 30-Mar-2019	1140000	4.72	1140000	4.72
	Purchase 26-Jul-2019	50000	0.20	1190000	4.92
	Purchase 09-Aug-2019	2301	0.00	1192301	4.93
	Purchase 30-Aug-2019	4402	0.01	1196703	4.95
	Sale 13-Dec-2019	-1196703	4.95	0	0.00
	At the end of the Year 31-Mar-2020	0	0.00	0	0.00
2	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN BUILD INDIA FUND (FBIF) At the beginning of the year 30-Mar-2019	250000	1.03	250000	1.03
	Sale 13-Dec-2019	-250000	1.03	0	0.00
	At the end of the Year 31-Mar-2020	0	0.00	0	0.00
2	FRANKLIN INDIA SMALLER COMPANIES FUND At the beginning of the year 30-Mar-2019	0	0.00	0	0.00
	Purchase 13-Dec-2019	1196703	4.95	1196703	4.95
	At the end of the Year 31-Mar-2020	1196703	4.95	1196703	4.95
2	FRANKLIN BUILD INDIA FUND At the beginning of the year 30-Mar-2019	0	0.00	0	0.00
	Purchase 13-Dec-2019	250000	1.03	250000	1.03
	At the end of the Year 31-Mar-2020	250000	1.03	250000	1.03
3	HDFC TRUSTEE COMPANY LTD - A/C HDFC HYBRID EQUITY FUND At the beginning of the year 30-Mar-2019	607000	2.51	607000	2.51
	At the end of the Year 31-Mar-2020	607000	2.51	607000	2.51



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 31.3.2019		Cumulative Shareholding during the year 31.3.2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SMALL CAP FUND At the beginning of the year 30-Mar-2019	343414	1.42	343414	1.42
	Purchase 12-Apr-2019	5000	0.02	348414	1.44
	Purchase 03-May-2019	2528	0.01	350942	1.45
	Purchase 07-Feb-2020	10000	0.04	360942	1.49
	Purchase 20-Mar-2020	951	0.00	361893	1.49
	At the end of the Year 31-Mar-2020	361893	1.49	361893	1.49
4	SUNDARAM MUTUAL FUND A/C SUNDARAM EMERGING SMALL CAP - SERIES II At the beginning of the year 30-Mar-2019	90886	0.37	90886	0.37
	At the end of the Year 31-Mar-2020	90886	0.37	90886	0.37
4	SUNDARAM MUTUAL FUND A/C SUNDARAM EMERGING SMALL CAP - SERIES I At the beginning of the year 30-Mar-2019	77404	0.32	77404	0.32
	At the end of the Year 31-Mar-2020	77404	0.32	77404	0.32
4	SUNDARAM MUTUAL FUND A/C SUNDARAM EMERGING SMALL CAP - SERIES III At the beginning of the year 30-Mar-2019	74206	0.30	74206	0.30
	Purchase 05-Apr-2019	286	0.00	74492	0.30
	At the end of the Year 31-Mar-2020	74492	0.30	74492	0.30
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECTMICRO CAP SERIES XIV At the beginning of the year 30-Mar-2019	61176	0.25	61176	0.25
	At the end of the Year 31-Mar-2020	61176	0.25	61176	0.25
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECTMICRO CAP SERIES - XV At the beginning of the year 30-Mar-2019	60820	0.25	60820	0.2519
	At the end of the Year 31-Mar-2020	60820	0.25	60820	0.2519
4	SUNDARAM MUTUAL FUND A/C SUNDARAM LONG TERM MICRO CAP TAX ADVANTAGE FUND SERIES III At the beginning of the year 30-Mar-2019	57658	0.23	57658	0.23
	Sale 29-Nov-2019	-2407	0.00	55251	0.22
	Sale 13-Dec-2019	-1459	0.00	53792	0.22
	Sale 06-Mar-2020	-1074	0.00	52718	0.21
	At the end of the Year 31-Mar-2020	52718	0.21	52718	0.21
4	SUNDARAM MUTUAL FUND A/C SUNDARAM EMERGING SMALL CAP - SERIES IV At the beginning of the year 30-Mar-2019	55446	0.22	55446	0.22
	Purchase 05-Apr-2019	312	0.00	55758	0.23
	At the end of the Year 31-Mar-2020	55758	0.23	55758	0.23



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 31.3.2019		Cumulative Shareholding during the year 31.3.2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECTMICRO CAP SERIES VIII At the beginning of the year 30-Mar-2019 At the end of the Year 31-Mar-2020	53400 53400	0.22 0.22	53400 53400	0.22 0.22
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECTMICRO CAP SERIES XI At the beginning of the year 30-Mar-2019 At the end of the Year 31-Mar-2020	48050 48050	0.19 0.19	48050 48050	0.19 0.19
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECTMICRO CAP SERIES - XVI At the beginning of the year 30-Mar-2019 At the end of the Year 31-Mar-2020	39478 39478	0.16 0.16	39478 39478	0.16 0.16
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECTMICRO CAP SERIES XII At the beginning of the year 30-Mar-2019 At the end of the Year 31-Mar-2020	34808 34808	0.14 0.14	34808 34808	0.14 0.14
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECTMICRO CAP - SERIES - XVII At the beginning of the year 30-Mar-2019 At the end of the Year 31-Mar-2020	32892 32892	0.13 0.13	32892 32892	0.13 0.13
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECTMICRO CAP SERIES IX At the beginning of the year 30-Mar-2019 At the end of the Year 31-Mar-2020	31572 31572	0.13 0.13	31572 31572	0.13 0.13
4	SUNDARAM MUTUAL FUND A/C SUNDARAM LONG TERM TAX ADVANTAGE FUND - SERIES - III At the beginning of the year 30-Mar-2019 At the end of the Year 31-Mar-2020	30000 30000	0.12 0.12	30000 30000	0.12 0.12
4	SUNDARAM MUTUAL FUND A/C SUNDARAM LONG TERM MICRO CAP TAX ADVANTAGE FUND SERIES IV At the beginning of the year 30-Mar-2019 At the end of the Year 31-Mar-2020	24826 24826	0.10 0.10	24826 24826	0.10 0.10
4	SUNDARAM MUTUAL FUND A/C SUNDARAM LONG TERM MICRO CAP TAX ADVANTAGE FUND - SERIES V At the beginning of the year 30-Mar-2019 At the end of the Year 31-Mar-2020	24546 24546	0.10 0.10	24546 24546	0.10 0.10



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 31.3.2019		Cumulative Shareholding during the year 31.3.2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	SUNDARAM MUTUAL FUND A/C SUNDARAM LONG TERM MICRO CAP TAX ADVANTAGE FUND - SERIES - V At the beginning of the year 30-Mar-2019 At the end of the Year 31-Mar-2020	22018 22018	0.09 0.09	22018 22018	0.09 0.09
4	SUNDARAM MUTUAL FUND A/C SUNDARAM EMERGING SMALL CAP - SERIES V At the beginning of the year 30-Mar-2019 At the end of the Year 31-Mar-2020	21271 21271	0.08 0.08	21271 21271	0.08 0.08
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECTMICRO CAP SERIES X At the beginning of the year 30-Mar-2019 At the end of the Year 31-Mar-2020	20526 20526	0.08 0.08	20526 20526	0.08 0.08
4	SUNDARAM MUTUAL FUND A/C SUNDARAM LONG TERM TAX ADVANTAGE FUND - SERIES IV At the beginning of the year 30-Mar-2019 At the end of the Year 31-Mar-2020	14991 14991	0.06 0.06	14991 14991	0.06 0.06
4	SUNDARAM MUTUAL FUND A/C SUNDARAM EMERGING SMALL CAP - SERIES VI At the beginning of the year 30-Mar-2019 Purchase 05-Apr-2019 Purchase 12-Apr-2019 At the end of the Year 31-Mar-2020	10793 61 1509 12363	0.04 0.00 0.00 0.05	10793 10854 12363 12363	0.04 0.04 0.05 0.05
4	SUNDARAM MUTUAL FUND A/C SUNDARAM LONG TERM TAX ADVANTAGE FUND-SERIES-II At the beginning of the year 30-Mar-2019 Sale 05-Apr-2019 Sale 12-Apr-2019 Sale 03-May-2019 Sale 10-May-2019 At the end of the Year 31-Mar-2020	9674 -534 -889 -2528 -5723 0	0.04 0.00 0.00 0.01 0.02 0.00	9674 9140 8251 5723 0 0	0.04 0.03 0.03 0.02 0.00 0.00
5	SANDHYAG PARIKH JT1 : GOVINDLAL M PARIKH At the beginning of the year 30-Mar-2019 Purchase 12-Jul-2019 At the end of the Year 31-Mar-2020	282144 5000 287144	1.16 0.02 1.18	282144 287144 287144	1.16 1.18 1.18
6	MEENAKSHI SUBRAMANIAM At the beginning of the year 30-Mar-2019 At the end of the Year 31-Mar-2020	235166 235166	0.97 0.97	235166 235166	0.97 0.97



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 31.3.2019		Cumulative Shareholding during the year 31.3.2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	SUNDARAM NARAYANAN . JT1 : JALAJA NARAYANAN . At the beginning of the year 30-Mar-2019 At the end of the Year 31-Mar-2020	151200 151200	0.62 0.62	151200 151200	0.62 0.62
8	HSBC SMALL CAP EQUITY FUND At the beginning of the year 30-Mar-2019 Purchase 31-May-2019 Purchase 07-Jun-2019 Purchase 14-Jun-2019 Purchase 21-Jun-2019 Purchase 28-Jun-2019 Sale 08-Nov-2019 At the end of the Year 31-Mar-2020	150000 15528 4000 7640 11151 11681 -200000 0	0.62 0.06 0.01 0.03 0.04 0.04 0.82 0.00	150000 165528 169528 177168 188319 200000 0 0	0.62 0.68 0.70 0.73 0.78 0.82 0.00 0.00
9	VISHNU SRIVATSAN At the beginning of the year 30-Mar-2019 Sale 26-Apr-2019 At the end of the Year 31-Mar-2020	146054 -146054 0	0.60 0.60 0.00	146054 0 0	0.60 0.00 0.00
9	VISHNU SRIVATSAN At the beginning of the year 30-Mar-2019 Purchase 26-Apr-2019 Purchase 24-May-2019 Purchase 07-Jun-2019 At the end of the Year 31-Mar-2020	0 146054 500 200 146754	0.00 0.60 0.00 0.00 0.60	0 146054 146554 146754 146754	0.00 0.60 0.60 0.60 0.60
10	MATTHEWSASIASMALL COMPANIES FUND At the beginning of the year 30-Mar-2019 Purchase 24-May-2019 Purchase 31-May-2019 Purchase 21-Jun-2019 Purchase 16-Aug-2019 Purchase 22-Aug-2019 Purchase 30-Aug-2019 Purchase 27-Sep-2019 Purchase 30-Sep-2019 Purchase 04-Oct-2019 Purchase 25-Oct-2019 Purchase 01-Nov-2019 Purchase 24-Jan-2020 Purchase 31-Jan-2020 Purchase 07-Feb-2020 Purchase 14-Feb-2020 Purchase 21-Feb-2020 Purchase 28-Feb-2020 Purchase 06-Mar-2020 At the end of the Year 31-Mar-2020	126332 1121 1651 39556 1199 48588 52527 1131 700 2959 456 744 6558 6640 50 7065 8073 4794 3176 313320	0.52 0.00 0.00 0.16 0.00 0.20 0.21 0.00 0.00 0.01 0.00 0.00 0.02 0.02 0.00 0.02 0.03 0.01 0.01 1.29	126332 127453 129104 168660 169859 218447 270974 272105 272805 275764 276220 276964 283522 290162 290212 297277 305350 310144 313320 313320	0.52 0.52 0.53 0.69 0.70 0.90 1.12 1.12 1.13 1.14 1.14 1.14 1.17 1.20 1.20 1.23 1.26 1.28 1.29 1.29



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 31.3.2019		Cumulative Shareholding during the year 31.3.2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11	SBI SMALL CAP FUND At the beginning of the year 30-Mar-2019	0	0.00	0	0.00
	Purchase 30-Aug-2019	100000	0.41	100000	0.41
	Purchase 08-Nov-2019	200106	0.82	300106	1.24
	Purchase 13-Dec-2019	995	0.00	301101	1.24
	At the end of the Year 31-Mar-2020	301101	1.24	301101	1.24
11	SBI LONG TERM ADVANTAGE FUND-SERIES IV At the beginning of the year 30-Mar-2019	85300	0.35	85300	0.35
	Purchase 26-Jul-2019	40000	0.16	125300	0.51
	At the end of the Year 31-Mar-2020	125300	0.51	125300	0.51
11	SBI TAX ADVANTAGE FUND SERIES II At the beginning of the year 30-Mar-2019	9000	0.03	9000	0.03
	At the end of the Year 31-Mar-2020	9000	0.03	9000	0.03
11	SBI TAX ADVANTAGE FUND SERIES III At the beginning of the year 30-Mar-2019	7700	0.03	7700	0.03
	At the end of the Year 31-Mar-2020	7700	0.03	7700	0.03

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year 31.3.2019		Cumulative Shareholding during the year 31.3.2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	V. VAIDYANATHAN At the beginning of the year	4,500	0.05	4,500	0.05
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	0	0	0	0
	At the end of the Year	4,500	0.05	4,500	0.05
2	A.GOPALAKRISHNAN At the beginning of the year	1,600	0.01	1,600	0.01
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	0	0	0	0
	At the end of the Year	1,600	0.01	01,600	0.01
3	VIDYASHANKAR KRISHNAN At the beginning of the year	27,20,240	11.27	27,20,240	11.27
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	0	0	0	0
	At the end of the Year	27,20,240	11.27	27,20,240	11.27


(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year 31.3.2019		Cumulative Shareholding during the year 31.3.2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	K. VENKATRAMANAN				
	At the beginning of the year	25,84,960	10.71	25,84,960	10.71
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	0	0	0	0
	At the end of the Year	25,84,960	10.71	25,84,960	10.71
5	R. VENKATAKRISHNAN (CFO)				
	At the beginning of the year	2,400	0.01	2,400	0.01
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	0	0	0	0
	At the end of the Year	2,400	0.01	2,400	0.01
6	J . SUMATHI (Company Secretary)				
	At the beginning of the year	400	0	400	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (issue of bonus shares)	0	0	0	0
	At the end of the Year	400	0	400	0

V. INDEBTEDNESS
Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principle Amount	6686011681	192429434	0	6878441115
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	6033665	0	0	6033665
Total	6692045346	192429434	0	6884474780
Change in indebtedness during the financial year				
• Addition	101763151	0	0	101763151.4
• Reduction	-1157960772	-161742824	0	-1319703596
Net Change	-1056197621	-161742824	0	-1217940445
Indebtedness at the end of the financial year				
i) Principle Amount	5627724270	30686610	0	5658410880
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	8123455	0	0	8123454.89
Total	5635847725	30686610	0	5666534335



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl.No.	Particulars of Remuneration	Name of MD/ WTD		Total amount
		Vidyashankar Krishnan	K.Venkatramanan	
1	Gross Salary	1,85,50,000	1,85,50,000	3,71,00,000
	a) Salary as per provisions contained in section 17 (1) of the Income tax Act			
	b) Value of perquisites u/s 17 (2) of Income tax Act			
	c) Profits in lieu of salary under section 17 (3) of Income tax Act	34,63,591	34,39,975	69,03,566
2	Stock Option			
3	Sweat Equity			
4	Commission -As % of profit -As others, specify	89,00,000	89,00,000	1,78,00,000
5	Others, specify			
	TOTAL (A)	3,09,13,591	3,08,89,975	6,18,03,566
	Ceiling as per the Act	3,09,19,647	3,09,19,647	6,18,39,293

B. Remuneration to other directors:

Sl.No.	Particulars of remuneration	Name of Directors				Total amount
		N. Srinivasan	V.Vaidyanathan	A.Gopalakrishnan	Kavitha Vijay	
1	Independent Directors					
	• Fee for attending board/ committee meetings	30,000	80,000	40,000	52,500	2,02,500
	• Commission	0	4,00,000	3,00,000	3,00,000	10,00,000
	• Others, please specify					
	Total (1)	30,000	4,80,000	3,40,000	3,52,500	12,02,500
	Other Non Executive Directors					
	• Fee for attending board/ committee meetings					
	• Commission					
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (b) = (1 +2)	30,000	4,80,000	3,40,000	3,52,500	12,02,500
	Total Managerial Remuneration	15,25,427	15,25,427	15,25,427	15,25,427	61,01,711

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD /MANAGER/WTD**

Sl.No.	Particulars of Remuneration	Key Managerial Personnel		Total amount
		J. Sumathi, Company Secretary	R. Venkatakrishnan, Chief Financial Officer	
1	Gross Salary			
	a) Salary as per provisions contained in section 17 (1) of the Income tax Act	10,99,004	15,91,448	26,90,452
	b) Value of perquisites u/s 17 (2) of Income tax Act	0	0	0
	c) Profits in lieu of salary under section 17 (3) of Income tax Act	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	-As % of profit	0	0	0
	-As others, specify			
5	Others, specify	-		
	TOTAL (A)	10,99,004	15,91,448	26,90,452

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY - NIL					
Penalty					
Punishment					
Compounding					
B. DIRECTORS - NIL					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT - NIL					
Penalty					
Punishment					
Compounding					

Form AOC – 2

(Pursuant to clause (h) of sub –section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section 91) of section 188 of the Companies Act, 2013, including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm’s length basis - NIL
 - 1.1 Name (s) of the related party and nature of relationship
 - 1.2 Nature of contracts/ arrangements/ transaction
 - 1.3 Duration of the contracts / arrangements/ transactions
 - 1.4 Salient terms of the contracts or arrangements or transactions including the value, if any
 - 1.5 Justification for entering into such contracts or arrangements or transactions
 - 1.6 Date (s) of approval by the Board
 - 1.7 Amount paid as advances , if any:
 - 1.8 Date on which the special resolution was passed in general meeting as required under first proviso to section 188.
2. Details of material contracts or arrangements or transactions not at arm’s length basis - NIL
 - 2.1 Name (s) of the related party and nature of relationship
 - 2.2 Nature of contracts/ arrangements/ transaction
 - 2.3 Duration of the contracts / arrangements/ transactions
 - 2.4 Salient terms of the contracts or arrangements or transactions including the value, if any
 - 2.5 Date (s) of approval by the Board
 - 2.6 Amount paid as advances , if any:

In terms of our Report of even date

For GRNK & Co.
Chartered Accountants
FRN 016847S

N. Srinivasan
Chairman
(DIN : 00116726)

Vidyashankar Krishnan
Vice Chairman and
Managing Director
(DIN : 00081441)

K. Venkatramanan
Joint Managing Director
(DIN : 00823317)

G. R. Naresh Kumar
Proprietor
Membership no. 215577

V.Vaidyanathan
Director
(DIN : 00081792)

A. Gopalakrishnan
Director
(DIN : 06414546)

Kavitha Vijay
Director
(DIN : 01047261)

Place : Chennai
Date : 29.07.2020

J.Sumathi
Company Secretary

R.Venkatakrishnan
Chief Financial Officer

**BUSINESS RESPONSIBILITY REPORT****ANNEURE V****SECTION A – GENERAL INFORMATION ABOUT THE COMPANY**

1.	Corporate Identity No (CIN) of the Company	L51102TN1946PLC001473		
2.	Name of the Company	M M Forgings Limited		
3.	Registered address	'SVK Towers', A 25, 8 th Floor, Industrial Estate, Guindy, Chennai - 600032		
4.	Website	www.mmforgings.com		
5.	Email Id	corporate@mmforgings.com		
6.	Financial Year reported	2019-20		
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code	Description	
		25910	Metal Forging	
8.	List three key products/ services that the Company manufactures/ provides (as in balance sheet)	1. Front Axle Beam 2. Knuckle 3. Crankshaft		
9.	Total Number of Locations where business activity is undertaken by the Company	<p>Registered Office 'SVK Towers' A25, 8th Floor, Industrial Estate, Guindy, Chennai - 600 032. Manufacturing locations:</p> <p>Factories Plant 1 - Singampunari – 630 502, TN. Plant 2 - Viralimalai – 621 316, TN. Plant 4 - Mathur Post – 602 105 TN. Plant 7 - Industrial Automation Division - 600 058, TN. Plant 8 - Rudrapur - 263 153 Uttarkand.(DVS Industries Pvt Ltd, Subsidiary Company) Plant 9 - Kursi Road, Barabanki, UP 225001</p> <p>Plant 5 - Windfarms W1 - Panakudi - 627109 TN. W2 - Theni District - 625 531 TN. W3 - Tenkasi - 627 811 TN. W4 - Kallapalayam 641 201 TN.</p> <p>Plant 6 - Solar sites S1 - Aruppukottai - 626105 TN. S2 - Viralimalai - 621 316 TN.</p>		
10.	Markets served by the Company- Local/ State/ National/ International	Both National and International		

SECTION B - FINANCIAL DETAILS OF THE COMPANY

₹ in Lakhs

1.	Paid up Capital	2,414.08
2.	Total Turnover	as on 31 March 2020
3.	Total profit after taxes	
4.	Total spending on Corporate Social Responsibility(CSR) as % of profit after tax(Taking into consideration the average net profit of the Company during 3 preceding financial years)	231.15 lakhs (2.82%)
5.	List of activities in which expenditure in 4 above has been incurred	1) Water harvesting in village 2) Environment sustainability 3) Water facility in school 4) Promotion of Education 5) Development of school 6) Social safety – Installation of surveillance camera in public places. 7) Development of play area in public parks



SECTION C – OTHER DETAILS

1.	Does the Company have any Subsidiary Company?	Yes. The Company has one subsidiary company (DVS Industries Private Limited).
2.	Do the Subsidiary Company participate in the BR activities of the parent company? If yes, then indicate.	No. taking into consideration the size and scale of operations , the subsidiary company , is not engaged in BR initiative process of the Company.
3.	Do any other entity/ entities (eg., suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If ye, then indicate the percentage of such entity/ entities? (Less than 30%, 30-60%, More than 60%)	The other entities with which the Company does business with viz. suppliers, distributors etc. are not included in the BR initiatives of the Company.

SECTION D – BR INFORMATION

1.	Details of Director/ s responsible for BR: Details of Director/ s responsible for implementation of the BR policy/ policies: DIN Name Designation	00081441 Vidyashankar Krishnan Vice Chairman and Managing Director
	Details of the BR Head: DIN (if applicable) Name Designation Telephone number email – id	00081441 Vidyashankar Krishnan Vice Chairman and Managing Director 044-71601000 mdo@mmforgings.com

2. Principle-wise (as per NVGs) BR Policy:

The Company’s policies are in line with the national Voluntary Guidelines on Social, Environment and Economic Responsibilities of Business (NVGs) which provides for the following Nine areas of Business Responsibility to be adopted by the organizations:

Principle 1	Ethics, Transparency and Accountability	Principle 6	Environment
Principle 2	Products Sustainability	Principle 7	Public Policy
Principle 3	Employees’ Well being	Principle 8	Inclusive Growth
Principle 4	Stakeholder Engagement	Principle 9	Customer Relations
Principle 5	Human Rights		

2.1 Details of Compliances:

S.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies	Y	Y	Y	Y	Y The policy is embedded in the Company’s Code of Conduct, Ethics and HR policies.	Y	Y	Y	Y
2	Has the Policy being formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	NA	Y	Y	Y	Y
3	Does the policy conform to any National/ International standards? If yes, specify. (50 words)	YES. The policies are in line with international standards such as ISO 9001:2015 and TS 16949 Certification. The policies satisfy the Regulatory requirements of Companies Act, 2013, and SEBI (LODR). Guidelines as per NVGs on social, environment and economic responsibility of business have been considered for formulation of some policies.								



4	Has the policy being approved by the Board? If yes, has it been signed by MD/ CEO?	Y	Y	Y	Y	NA	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director official to oversee the implementation of the policy?	These policies are administered and supervised by the management of the company.								
6	Indicate the link for the policy to be viewed online?	Policies on Whistle Blower, CSR, Nomination and Remuneration, Related party transaction etc are available on link : http://www.mmforgings.com/financials.html								
7	has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	NA	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	NA	Y	Y	Y	Y
9	Does the company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	NA	Y	Y	Y	Y
9	Does the company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	NA	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Policies on Quality, Safety, Health and Environment forms part of the certification process done by periodic assessments and are subject to internal and external audits. Other policies are periodically evaluated through Internal Audit.								

(b) If answer to the question at serial no. 1 against any principle is 'No' , please explain why (Tick upto 2 options)

S.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies in specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have any financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-



GOVERNANCE RELATED TO BR

1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 Months, 3-6 months, Annually, More than 1 year	Annually
2	Does Company publish a BR or a 'Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company will publish the BR Report as a part of its Annual Report. This can be viewed at: http://www.mmforgings.com/Annual_Report.html

SECTION E : PRINCIPLE –WISE PERFORMANCE

1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No.Does it extend to its Subsidiary/ Suppliers/ Vendors/ Contractors/ Others?	The 'Code of Conduct' of MMF provides guidelines and policies on ethics, bribery and corruption. The Code is applicable to all Senior employees including Executive Directors.
2	How many Stakeholders complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide detailsin about 50 words or so.	During the year under review, the Company has not received any complaints in connection with ethics, bribery and corruption.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1	List upto 3 products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities	<p>1. Front Axle Beam</p> <p>2. Knuckle</p> <p>3. Crankshaft</p> <p>a. Light-weight & press load reduce program(FAB):</p> <p>The company is working on producing complex front axle beam within 8000T forging press. The company achieved about 9.5% load reduction in mechanical forging press press by using high end FEA tools & without affecting performance characteristics of Front Axle Beam. Both design validated for stress and deflection levels and ensured that stress and deflection levels of optimized design are within acceptance limit. Innovative application of latest technologies has helped the company to develop critical, high value added products. With the help of latest technologies and reduce roll design front axle beams are produced using 8000T, which is produced using 12000T by others. Initially started with normal reduce roll and successfully implemented profile reduce roll design. Company having a vast experience in developing Front Axle Beams using reduce roll.</p> <p>Through the development of upgraded profile reduce roll design, company is able to produce front axle beam weight upto 120kg.</p> <p>b. Crankshaft innovation program:</p> <p>'The company is working closely to improve the weight balancing of crankshaft. As a part of weight balancing less amount of machining stock added near the web area and FEA software using to validate for better material filling and to reduce underfilling. Crankshaft balancing is achieved with very less</p>
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		number of drilling holes, forging quality and machinability was good resulting into less wastage of material.
	<p>For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)</p> <p>i) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?</p> <p>ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?</p>	<p>1. For heat treatment operation fuel consumption reduced to 10% from 15% by using special type walking beam furnace without using Tray / Basegrid / Basket.</p> <p>2. By using recuperative system in heat treatment furnace air preheating is achieved by heat exchange from the exhaust which will reduce fuel consumption by 5%.</p> <p>3. To reduce electricity power, in most of the material handling area we introduced roller setup using gravity.</p>
3	Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	The company supplier selection, assesment, evaluation process include elements of sustainability. This includes supplier survey, continous risk assesments and audits. Also there is communication to suppliers on MMF sustainability requirements
4	<p>Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?</p> <p>If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</p>	<p>M M Forgings has network of medium enterprises around its factory which complements our manufacturing capability. Quality of our final product depends on the capability of our inputs and therefore, due steps are taken to ensure quality of inouts received from vendors by deploying our standard quality systems in their plant as well. Steps taken to</p> <p>1) Providing training & new MMF requirements communications through supplier meet.</p> <p>2) Critical suppliers being evaluated periodically based on their critically and subsequent actions are taken for improvements</p> <p>3) Hand holding the vendors for developing quality management systems for improving the product quality, reducing the wastages and sustainable development</p> <p>4) Providing technical help to vendors for up-gradation of their equipment which has helped in enhancing the capacity and capability</p>
5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.	<p>Yes. The company has mechanism to recycle products</p> <p>1) Company is sending 100 % of its forging flash and end bits to steel mills for recycling purpose</p> <p>2) 100 % re-use of treated industrial effluent for processing</p> <p>3) 50 % of recycled water from sewage treatment plant is used for maintenance of greenery in the plant</p> <p>4) 100 % of hazardous waste sent to authorized party</p> <p>5) Recycling of packing boxes</p> <p>6) Started waste generated monitoring and reduction</p>



Principle 3 – Businesses should promote the well being of all employees

1	Please indicate the Total number of employees.	3002		
2	Please indicate the Total number of employees hired on temporary/ contractual/casual basis	1147		
3	Please indicate the Number of permanent women	9		
4	Please indicate the Number of permanent employees with disabilities	17		
5	Do you have an employee association that is recognized by management	No		
6	What percentage of your permanent employees is members of this recognized employee association?	NA		
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Category No of complaints filed during the financial year No of complaints pending as on end of the financial year	Category No of complaints filed during the financial year No of complaints pending as on end of the financial year	Category No of complaints filed during the financial year No of complaints pending as on end of the financial year
		Child labour/ forced labour/ involuntary labour	NIL	NIL
		Sexual harassment	NIL	NIL
		Discriminatory employment	NIL	NIL
8	What percentage of your mentioned employees were given safety & skill upgradation training in the last year?	(a) Permanent Employees	62%	
		(b) Permanent Women Employees	52%	
		(c) Casual/ Temporary/ Contractual Employees	70%	
		(d) Employees with Disabilities	76%	



Principle 4- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1	Has the company mapped its internal and external stakeholders? Yes/No	Yes.
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes.
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	<p>The Company has made special efforts for the people residing in the nearby places of the plant locations.</p> <p>The company has planted saplings in each house of the nearby village.</p> <p>The company has made lot of efforts to get water in all the household in the nearby vicinity of the plant locations.</p> <p>The company has contributed for development of school.</p>

Principle 5: Businesses should respect and promote human rights

1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others?	<p>The company does not have a stand-alone policy for human rights.</p> <p>The Company has internal policies on Code of Conduct, Ethics and CSR.</p> <p>These internal policies recognizes all the key aspects of human rights which lay down the acceptable behavior of the employees.</p>
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	During the year under review, the Company has not received any complaints from any stakeholders.

Principle 6 : Business should respect, protect, and make efforts to restore the environment

1	Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others	Yes, Company's environmental policy extends to its all interested parties which includes company employees, group companies, joint ventures, suppliers, contractors, NGO's, and others.
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	<p>Yes, As part of its endeavour of contributing towards reducing carbon footprint and ensuring sustainability across all operations, the Company focuses on various initiatives like: using bio fuels, modern regenerative combustion technology, recycled water, reduced cycle waste & adoption of eco-friendly waste disposal, implementation of scientific tree plantation to reduce atmospheric pollution etc. In its manufacturing operations. These initiatives can be viewed at: https://www.mmforgings.com</p>



3	Does the company identify and assess potential environmental risks?	<p>Yes, Environmental risks are covered in the Company's principles that are based on IATF-16949 standards. Every unit or plant implements the following:</p> <ul style="list-style-type: none"> (i) EHS risks and opportunities; (ii) Identification and evaluation of EHS aspects and requirements; (iii) Legal obligations and other requirements; (iv) EHS emergency management; and (v) Environmental management programmes are taken at high risk area. Once risks are identified, steps are taken to measure and mitigate these risks through EHS management system approach.
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	<p>Yes, the Company continues to work towards development and implementation of climate change mitigation project mainly through energy saving projects, water saving, waste reduction under sustainability development. However, we don't have any registration for Clean Development Mechanism projects.</p>
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	<p>Yes, several initiatives on clean technology, energy efficiency, renewable energy and sustainability development has been done like; Solar power activities are initiated. Initiative can be viewed on: https://www.mmforgings.com</p>
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	<p>Yes, all emissions / waste generated are monitored daily / monthly / quarterly and ensured for within the permissible limit as per Tamilnadu Pollution Control Board Consent norms.</p>
7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year	NIL

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	<ul style="list-style-type: none"> 1) Association of Indian forging Industry (II) 2) Confederation of Indian Industry (CII) 3) Indian Society for Non Destructive Testing (ISNT) 4) Engineering Export Promotion Council 5) National Institute for Quality and Reliability
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	<p>The company has set up a corporate social responsibility (CSR) committee aiming to have a positive impact on people and communities. The company has undertaken and contributed to the following CSR projects :-</p> <ul style="list-style-type: none"> a) Eradicating hunger and poverty in the livelihood sector b) Education c) Combating diseases in health sector d) Social business projects e) Gender equality and women empowerment



Principle 8: Businesses should support inclusive growth and equitable development

1	Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	<p>1.Village Development Project</p> <p>i. The company has done lake renovation project at Serrapanencheri, Padappai – for Desilting of 20,000 cu.ft, protection from encroachment, increase in water level and save water for future generations</p> <p>ii.Viralimalai temple – Renovation under progress</p> <p>2.Promotion of education</p> <p>i. At Govt Girls high school, Padappai – Drinking water bore has been provided which serves for 1400 # girls students.</p> <p>ii. School vaction for elementary school, Ezhilchur has been organized from Padappai to Sriperumbudur.</p> <p>3.Environment Sustenance</p> <p>i.Environment sustenance – Tree Plantation drive – We have planted around 1,000 saplings at various locations in Singampuneri, Viralimalai, Padappai, Pantnagar and Lucknow.</p> <p>For every employee birthday – tree planting has been done, encouraging native forest in the manufacturing plants.</p> <p>4.Women Empowerment</p> <p>i. The company employed around 200 women across all the plants in the last financial year.</p>	
2	Are the programmes/ projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?	The company has separate in-house team for CSR activities to plan, implement , monitor and review various community development initiatives. The company believes in a participatory approach towards implementing these initiatives.	
3	Have you done any impact assessment of your initiative?	Yes, we have undertaken the impact assessment for most of our projects	i. Water storage capacities have been increased where we have done lake renovation work.
4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	During the years, the company has spent around Rs 45 Lakhs for lake renovation and Viralimalai temple renovation	
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	1. De-silting : Over 20,000 cubic feet which corresponds to about 700 truck loads of soil have been excavated as de-silting, levelling etc.	2. Bund formation: 3. Excavated soil used for increasing the height of the bund and also for strengthening. Two layers were filled to increase the height of the bund.



		<p>4. Compacting : Compacting with rollers were done for two layers.</p> <p>5. Jungle clearance: Weeds, shrubs, grass, etc., formed inside the lake have been cleaned (except portion belonging to Highway Department). Also the plants found on the road-side bund were cleared.</p> <p>6. Sluice gates fixed gates at two suitable places.</p> <p>7. Weir wall was reconstructed.</p> <p>8. Boundary stones 40 Nos. concrete pillars were installed as boundary stones. (Originally intended 80 nos pillars have been restricted to 40 as per the directions received from PWD.)</p> <p>9. Trees : About 155 trees have been planted along the bund to protect the same as well as to beautify the lake.</p> <p>10. Mesh Fencing: Plastic coated wire mesh fencing laid running for about 1700 feet to prevent encroachment.</p> <p>11. Pillars & Basement : 7 feet height iron pillars grounded 2.5 feet under the ground using CC.</p> <p>12. Block basement: plastering and painting for about 1700 running feet.</p> <p>13. Drainage work: A draining vent has been exclusively designed for getting excess water from road to the lake.</p> <p>14. Reflectors: Special red reflectors have been stuck on metal placard-like boards that clearly distinguish the fence area - for security reasons.</p> <p>15. Main Gate : Fixed M.S. Gate (23' x 7') that restricts unwanted entries into the lake area.</p> <p>16. Levelling work : Levelled ground along the fence (inner) end and cleared jungle area.</p>
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Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1	What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	<p><u>Forged parts</u>:- 47 customer complaints were received during the above period and 44 complaints have been closed as on 01 Mar 2020. Remedial actions have been taken for the remaining 3 complaints and the effectiveness of corrective actions is being monitored for each of them now. As per our corrective action procedure, we monitor the effectiveness of the corrective actions for a period of 3 months / 3 consecutive supplies whichever is later before closing the customer complaint.</p> <p><u>Machined parts</u>:- 21 customer complaints were received during the above period and 18 complaints have been closed as on 01 Mar 2020. Remedial actions have been taken for the</p>
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		remaining 3 complaints and the effectiveness of corrective actions is being monitored for each of them now. As per our corrective action procedure, we monitor the effectiveness of the corrective actions for a period of 3 months / 3 consecutive supplies whichever is later before closing the customer complaint.
2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks(additional information)	<p>YES.</p> <p>Our company products are customer specific and as per our customer requirements with regard to identification / labeling of product packaging and is consistent with applicable laws of shipping country and receiving country.</p> <p>The typical information displayed on product packaging include customer, supplier, part description, part number, Engineering revision level, purchase order number, heat code, qty packed, box number, gross weight and net weight.</p>
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No.
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	<p>Our company values customer feedback and customer satisfaction at various stages of business including enquiry handling, order handling, product realization and shipment.</p> <p>The company obtains the customer feedback through the following channels of communication –</p> <ul style="list-style-type: none">(i) Customer satisfaction survey once / 6 months(ii) Collection of customer issued score cards / performance reports as per the customer defined frequency(iii) Conference calls with customers(iv) Visits to customer sites / offices(v) Supplier meets <p>Customer satisfaction data are collected, compiled, trend monitored and actions are initiated in case of negative variations during management review.</p>



**SECRETARIAL AUDIT REPORT
FOR THE FINANCAL YEAR ENDED 31.03.2020**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

The Members

M M FORGINGS LIMITED

**“SVK TOWER” A 24/25, THIRU VI KA INDUSTRIAL ESTATE,
GUINDY, CHENNAI-600032**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M M Forgings Limited** (hereinafter called the company). Secretarial Audit was conducted based on records made available to me, in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion/understanding thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and made available to me and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I, on strength of those records, and information so provided, hereby report that in my opinion and understanding, the company, during the audit period covering the financial year ended on 31st March, 2020, appears to have complied with the statutory provisions listed hereunder and also in my limited review, that the Company has proper and required Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M M Forgings Limited** (“the Company”) for the financial year ended on 31st March, 2020 according to the provisions as applicable to the Company during the period of audit:

- (i) The Companies Act, 2013, (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment, imports and export of goods and services;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) There are no laws/ Regulations (as amended from time to time), as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/industry.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc., mentioned above

During the year under review:-

1. The provision as required under section 149(1) of the Companies Act, 2013, regarding representation of Woman Director on the Board has been duly complied
2. The provision as required under section 149(4) of the Companies Act, 2013, regarding Independent Directors have been duly complied.



3. The service of notice of Annual General meeting together with the Annual Report of the company for the financial year 2018-19 was in compliance with the Companies Act, 2013.

I further report that there were no actions/events occurred in the pursuance of

- (a) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; requiring compliance thereof by the Company during the Financial Year under review.

I further report that, on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads / company secretary / CEO taken on record by the Board of Directors of the Company, in my opinion, there are adequate systems and processes commensurate with the size and operation of the company to monitor and ensure compliance with applicable laws, Rules, Regulations and guidelines.

I further report that, the compliance by the Company of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

The Company has reappointed one Independent Director (Woman Director) whose period of office expired on 31.03.2020, for a further period of 5 consecutive years from 01.04.2020.

The Company had reappointed the Cost Auditor for the financial year 2019-20, for a period of one year.

I further report that:

The Board of Directors of the Company is constituted with a balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were delivered and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that during the audit period, no events have occurred during the year which have a major bearing on the Company's affairs.

Place: Chennai
Date: 29th July 2020

V SHANKAR
COMPANY SECRETARY IN PRACTICE
ACS No. 12080
C.P.No. 12974

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.



To,

The Members

M M FORGINGS LIMITED

**“SVK TOWER” A 24/25, THIRU VI KA INDUSTRIAL ESTATE,
GUINDY, CHENNAI-600032**

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

V SHANKAR
COMPANY SECRETARY IN PRACTICE
ACS No. 12080
C.P.No. 12974

Place: Chennai
Date: 29th July 2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

M M FORGINGS LIMITED

**“SVK TOWER” A 24/25, Thiru Vi Ka Industrial Estate, Guindy,
Chennai-600032**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M M Forgings Limited having CINL51102TN1946PLC001473 and having registered office at “SVK Tower” A24/25, Thiru Vi Ka Industrial Estate, Guindy, Chennai-600032 (hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, -Not applicable- or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
NA	NA	NA	NA

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

V SHANKAR
COMPANY SECRETARY IN PRACTICE
ACS No. 12080
C.P.NO. 12974

Place: Chennai
Date: 29 July 2020



INDEPENDENT AUDITORS' REPORT

To the Members of M M Forgings Limited

Report on the Audit of Standalone Financial Results

Opinion

1. We have audited the standalone annual financial results of M M Forgings Limited (hereinafter referred to as the "Company") for the year ended March 31, 2020 and the standalone statement of assets and liabilities and the standalone statement of cash flows as at and for the year ended on that date (together referred to as the 'standalone financial results'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial results:
 - (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
 - (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013, (the "Act") and other accounting principles generally accepted in India, of net profit and other comprehensive loss and other financial information of the Company for the year ended March 31, 2020 and the standalone statement of assets and liabilities and the standalone statement of cash flows as at and for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Standalone Financial Results' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw your attention to the standalone financial results which explains the uncertainties and the management's assessment of the financial impact due to lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Board of Directors' Responsibilities for the Standalone Financial Results

5. These Standalone financial results have been prepared on the basis of the standalone annual Ind AS financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the net profit and other comprehensive loss and other financial information of the Company and the standalone statement of assets and liabilities and the standalone statement of cash flows in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the standalone financial results by the Directors of the Company, as aforesaid.
6. In preparing the standalone financial results, the Board of Directors of the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



7. The Board of Directors of the Company are responsible for overseeing the financial reporting process of the Company.

Auditors' Responsibilities for the Audit of the Standalone Financial Results

8. Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. (Refer paragraph 12 below)
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
 - Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

11. The Financial Results include the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which were reviewed by us.

For G R N K & Co
Chartered Accountants
Firm Reg No. 016847S

Place : Tiruchirapalli
Date : 29/07/2020

G.R. Naresh Kumar
Sole Proprietor
Membership No.215577
UDIN:20215577AAAABC7595



ANNEXURE A TO THE AUDITOR'S REPORT

The Annexure referred to in Independent Auditor's Report to the members of the Company on the Financial Statements for the Year Ended 31.03.2020:

We report that

- I
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) As explained to us, all the assets have not been physically verified by the management during the year but there is a regular program of verification to cover all the items of Fixed Assets in a phased manner, which, in our opinion, is reasonable, considering the size and the verification having regard to the size of the company and the nature of its assets. Pursuant to the program, certain Fixed Assets were physically verified by the Management during the year. No material discrepancies have been noticed on such physical verification.
 - c) According to the information and explanations furnished to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that the Title Deeds, comprising of all the immoveable properties of the Land Buildings which are Freehold, are held in the name of the company as at the Balance Sheet date. Based on the above, we also report that all the assets of the Company are Freehold and the Company has not acquired any Asset on Lease. Also, all the assets are held for the use of the Company only and none of the assets are held for use by others.
- II
 - a) The inventories have been physically verified by the management during the year at reasonable intervals, except materials lying with third parties, where confirmations are obtained. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- III According to the information and explanations furnished to us, apart from the Loan of Rs. 8981.55 Lakhs to M/S. DVS Industries Private Limited, subsidiary of the Company, the Company has neither granted nor taken any loans to and from companies, firms or other parties covered in the Register, maintained under Section 189 of the Companies Act, 2013. In respect of the loan to such subsidiary company:-
 - a) The Terms and conditions of the grant of such loan is, in our opinion, not prejudicial to the interest of the Company;
 - b) The repayment of the said loan is yet to commence as per the schedule stipulated for the repayment;
 - c) There is no overdue amount remaining outstanding as on the date of the Balance Sheet.
- IV In our opinion and according to the information and explanations furnished to us, the Company has complied with the Provisions of Sections 185 and 186 of The Act in respect of Grant of Loans and making investments. The Company has not given any Guarantees and securities falling under section 185 / 186 of The Companies Act 2013.
- V During the year, the Company has not accepted any Deposits from the Public or from the members. The Company does not have any Deposits on the date of the Balance Sheet. The Company does not have any Unclaimed Deposits on the date of the Balance Sheet. Therefore, the provisions of Clause 3 (v) of the Order are not applicable to the Company.
- VI The maintenance of Cost Records under section 148 (1) of The Act has not been specified by The Central Government for the Business activities carried on by the Company. Thus, reporting under Clause 3 (vi) of the Order is not applicable to the Company.
- VII
 - a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, GST, Sales Tax, Value Added Tax, Wealth Tax, Customs Duty, Excise Duty, Service Tax, Cess and other material statutory dues applicable to it.
 - b) There were no undisputed amounts payable in respect of any of the above statutory dues..
- VIII Based on our audit procedure and on the information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of its dues to Financial Institutions, Banks and debenture holders.
- IX The Company has not raised any money by way of initial public offer or other public offer. The Company has reduced the following term loans / Working Capital facilities from Banks:

Net Long Term Borrowings	Rs. (4380.72) Lakhs
Net Short Term Borrowings	Rs. (7764.80) Lakhs

Based on our audit, we report that the proceeds of the Term Loan / Working Capital have been utilized for the



purpose for which they were borrowed – namely creation of Fixed Assets of the Company. The total investment in Fixed Assets / Current Assets for the year is at Rs. 8759.76 Lakhs as against reduction in Term Loan of Rs. 4380.72 Lakhs. Further, as against Working Capital Borrowings of Rs. 7764.80 Lakhs during the Year, the application for Short Term uses is at Rs. 13887.70 Lakhs.

- X To the best of our knowledge and based on the audit procedures performed and information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- XI Based on the audit procedures performed and information and explanations given by the management, we report that the Company has paid / provided for Managerial Remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to The Act.
- XII The Company is Not a Nidhi Company. Accordingly, para 3 (xii) of The Order is not applicable to the Company.
- XIII Based on the audit procedures performed and information and explanations given by the management, all the transactions with the related parties are in compliance with Sections 177 / 188 of the Companies Act 2013, were applicable and details of such transactions are duly reported in the standalone Financial Statements as required by the applicable Accounting Standards.
- XIV During the Year, The Company has not made any preferential allotment or Private placement of shares or fully / partly convertible debentures during the year. Hence, reporting under Clause 3 (xiv) of the Order is not applicable to the Company.
- XV Based on the audit procedures performed and information and explanations given by the management The Company has not entered in to any Non Cash Transactions with Directors or persons connected with him and hence, the provisions of section 192 of The Companies Act 2013, are not applicable to the Company.
- XVI. No registration is required under Section 45 IA of The Reserve Bank of India Act.

For G R N K & Co
Chartered Accountants
Firm Reg No. 016847S

Place : Tiruchirapalli
Date : 29/07/2020

G.R. Naresh Kumar
Sole Proprietor
Membership No.215577
UDIN:20215577AAAABC7595

Annexure B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub – section 3 of Section 143 of the Companies Act, 2013, ('the Act')

We have audited the internal financial controls over financial reporting of M.M Forgings Ltd ('the Company') as of 31st March 2020 in conjunction with our audit of the standalone Ind AS financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') and the standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control systems over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of the management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely direction of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G R N K & Co
Chartered Accountants
Firm Reg No. 016847S

Place : Tiruchirapalli
Date : 29/07/2020

G.R. Naresh Kumar
Sole Proprietor
Membership No.215577
UDIN:20215577AAAABC7595

**Balance Sheet as at 31st March, 2020**

(₹ in lakhs)

	Note No.	As at March 2020	As at March 2019
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
1.1 Share capital	3	2,414.08	2,414.08
1.2 Reserves and surplus	4	44,416.47	41,210.66
		<u>46,830.55</u>	<u>43,624.74</u>
2 Non-current liabilities			
2.1 Long-term borrowings	5	33,470.00	39,628.75
2.2 Deferred tax liabilities (net)		2,980.91	1,864.21
2.3 Other long-term liabilities	6	291.50	1,878.31
		<u>36,742.41</u>	<u>43,371.27</u>
3 Current liabilities			
3.1 Short-term borrowings	7	15,664.26	23,429.06
3.2 Trade payables	8	7,174.13	4,770.61
3.3 Other current liabilities	9	7,548.38	5,770.35
3.4 Short-term provisions	10	-	708.97
		<u>30,386.77</u>	<u>34,678.99</u>
TOTAL		<u>113,959.73</u>	<u>121,675.00</u>
B ASSETS			
1 Non-current Assets			
1.1 Fixed Assets			
1.1.1 Tangible Assets	11	65,290.57	58,805.73
1.1.2 Capital work-in-progress		871.47	3,919.31
		<u>66,162.04</u>	<u>62,725.04</u>
1.2 Non-current investments	12	488.44	488.44
1.3 Long-term loans and advances	13	11,147.47	9,581.76
1.4 Other non-current assets	14	2,267.57	1,097.85
		<u>13,903.48</u>	<u>11,168.05</u>
2 Current Assets			
2.1 Inventories	15	12,844.68	18,750.18
2.2 Trade receivables	16	1,246.22	7,925.29
2.3 Cash and cash equivalents	17	17,337.59	17,112.17
2.3.1 Restricted Bank Accounts		98.52	43.76
2.4 Short-term loans and advances	18	2,364.36	3,886.90
2.5 Other current assets	19	2.82	63.61
		<u>33,894.21</u>	<u>47,781.91</u>
		<u>113,959.73</u>	<u>121,675.00</u>

See accompanying notes forming part of the financial statements

In terms of our Report of even date

For GRNK & Co.
Chartered Accountants
FRN 016847S

N. Srinivasan
Chairman
(DIN : 00116726)

Vidyashankar Krishnan
Vice Chairman and
Managing Director
(DIN : 00081441)

K. Venkatraman
Joint Managing Director
(DIN : 00823317)

G. R. Naresh Kumar
Proprietor
Membership no. 215577

V.Vaidyanathan
Director
(DIN : 00081792)

A. Gopalakrishnan
Director
(DIN : 06414546)

Kavitha Vijay
Director
(DIN : 01047261)

Place : Chennai
Date : 29.07.2020

J.Sumathi
Company Secretary

R.Venkatakrishnan
Chief Financial Officer

**Profit and Loss account for the year ended 31st March, 2020**

(₹ in lakhs)

	Note No.	For the year ended 31 March 2020	For the year ended 31 March 2019
A CONTINUING OPERATIONS			
1 Revenue from operations Net of Excise Duty	20	72,729.13	90,392.20
2 Other income	21	1,850.70	1,584.30
3 Total revenue (1+2)		74,579.83	91,976.50
4 Expenses			
4.1 Cost of materials consumed	22	31,871.32	44,289.72
4.2 Changes in inventories of Finished Goods / Work-In-Process	23	1,527.88	-3,406.75
4.3 Employee benefits expense	24	8,268.26	8,749.35
4.4 Finance costs	25	3,305.18	2,613.96
4.5 Depreciation and amortisation Expenses	11.3	5,322.76	5,441.17
4.6 Other expenses	26	18,542.55	23,434.95
Total expenses		68,837.95	81,122.40
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		5,741.88	10,854.10
6 Exceptional items			
Profit on Sale of Business Asset		-	-
Profit on Sale of Other Assets		0.44	2.41
7 Profit / (Loss) before extraordinary items and tax (5 ± 6)		5,742.32	10,856.51
8 Extraordinary items			
9 Profit / (Loss) before tax (7 ± 8)		5,742.32	10,856.51
10 Tax expense:			
10.1 Current tax expense for current year		818.12	2,100.00
10.2 Tax expense relating to prior years		1.86	92.49
10.3 Net current tax expense		819.98	2,192.49
10.4 Mat Credit adjusted		-818.12	6.95
10.5 Deferred tax Liability /(Asset)		1116.70	522.03
		1,118.56	2,721.47
11 Profit / (Loss) from continuing operations (9 ± 10)		4,623.76	8,135.04
B DISCONTINUING OPERATIONS			
12 Profit / (Loss) from discontinuing operations		-	-
C TOTAL OPERATIONS		4,623.76	8,135.04
13 Profit / (Loss) for the year (11 ± 12)		4,623.76	8,135.04
14 Earnings per share (of Rs. 10 /- each):			
14.1 Basic			
14.1.1 Continuing operations		19.15	67.40
14.1.2 Total operations		19.15	67.40
14.2 Diluted			
14.2.1 Continuing operations		19.15	67.40
14.2.2 Total operations		19.15	67.40

See accompanying notes forming part of the financial statements

In terms of our Report of even date

For GRNK & Co.
Chartered Accountants
FRN 016847S

N. Srinivasan
Chairman
(DIN : 00116726)

Vidyashankar Krishnan
Vice Chairman and
Managing Director
(DIN : 00081441)

K. Venkatramanan
Joint Managing Director
(DIN : 00823317)

G. R. Naresh Kumar
Proprietor
Membership no. 215577

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Director
(DIN : 00081792)

A. Gopalakrishnan
Director
(DIN : 06414546)

Kavitha Vijay
Director
(DIN : 01047261)

Place : Chennai
Date : 29.07.2020

J.Sumathi
Company Secretary

R.Venkatakrisnan
Chief Financial Officer

**Notes forming part of the financial statements****1 Corporate information**

The Company is engaged in the manufacture of Steel Forgings. The plants for manufacture are located at Singampunari – Sivagangai District, Viralimalai -Pudukkottai District and Karainathangal Village-Kanchipuram District, all within the state of Tamil Nadu. The company has its machining plant in Kursi Road, Barabanki situated in the state of Uttar Pradesh.

2 Significant accounting policies followed by the company:-**2.1 Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. Sales does not include GST.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Work-in-progress and finished goods include appropriate proportion of overheads .

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation and amortisation

Depreciation has been provided on straight-line method as per the rates prescribed in Schedule II to the Companies Act, 2013, and accelerated depreciation is provided, wherever necessary.

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful life and the residual value of the assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The expected life is based on historic experience with similar assets as well as anticipation of future events, which may impact their life such as changes in technology.

Property, Plant And Equipment are stated at Cost Less accumulated Depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the Property, Plant and Equipment are put to use. The Company depreciates Property, Plant and Equipment over their estimated useful life using Straight Line Method. The estimated useful life of assets are as follows:

Particulars	
Building	30 Years
Plant And Machinery	15 Years
Office Equipment	5 Years
Computer Equipments	5 Years
Furniture And Fittings	10 Years
Vehicles	5 Years

**Note 2 Significant accounting policies (contd.)**

Based on technical evaluation, the Management believes that the useful life as given above represents the period over which the Management expects to use these assets. Hence, the useful life for these assets is different from the useful life as prescribed under Part C of Schedule II to The Companies Act, 2013. Depreciation method, useful life and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each Balance Sheet Date is classified as Capital Advances under Other Non Current assets and the cost of assets not put to use before such date are disclosed under Capital Work in Progress. Subsequent expenditures relating to Property, Plant And Equipment are capitalised only when it is possible that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and Maintenance Costs are recognised in Net Profit in the Statement of Profit And Loss when incurred. The cost and related accumulated Depreciation are eliminated from the Financial Statements upon sale or retirement of the Asset and the resultant Gains or Losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

2.7 Revenue recognitionSale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer. Sales does not include GST.

2.8 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.9 Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes all expenses incurred in connection with the acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10 Foreign currency transactions and translationsInitial recognition

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

The Loss, if any, in the case of Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are considered / restated at the year-end rates. However, gains if any, are not considered.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. The amount capitalised in the current year is at ₹ 45996427 (Last Year ₹ 38289883).

Accounting of forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts.

2.11 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.



Note 2 Significant accounting policies (contd.)

2.12 Employee benefits

Employee benefits include provident fund, superannuation fund, gratuity fund and compensated absences,

Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

Defined benefit plans

For defined benefit plans in the form of gratuity fund / Super Annuation fund, the same are covered under Group Gratuity Scheme of LIC and Super Annuation Fund with LIC..

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

2.13 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. .

2.14 Segment reporting

The Company is engaged in only one segment - Manufacture of Steel Forgings

2.15 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2.16 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the statement of Profit and Loss.

2.17 Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of

**Note 2 Significant accounting policies (contd.)**

products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

2.18 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.19 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.20 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

**Notes forming part of the financial statements****Note 3 Share capital**

	Particulars	As at 31 March 2020		As at 31 March 2019	
		Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
3.1	Authorised				
	Equity shares of ₹ 10 each with voting rights	30,000,000	3,000.00	30,000,000	3,000.00
3.2	Issued				
	Equity shares of ₹ 10 each with voting rights	24,145,600	2,414.56	24,145,600	2,414.56
3.3	Subscribed and fully paid up				
	Equity shares of ₹ 10 each with voting rights	24,140,800	241,408.00	24,140,800	241,408.00

(1) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Buy back	Other changes (Bonus Shares)	Closing Balance
Equity shares with voting rights				
Year ended 31 March, 2020				
- Number of shares	24,140,800	-	-	24,140,800
- Amount ₹ in lakhs	2,414.08	-	-	2,414.08
Year ended 31 March, 2019				
- Number of shares	12,070,400	-	12,070,400	24,140,800
- Amount ₹ in lakhs	1,207.04	-	1,207.04	2,414.08

(2) Details of shares held by each shareholder holding more than 5% shares:

Class of Shares	As at 31 March 2020		As at 31 March 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Synmax Consultants and Trading Pvt Ltd	5,796,000	24.01%	5,796,000	24.01%
Vidyashankar Krishnan	2,720,240	11.27%	2,720,240	11.27%
Venkatramanan Krishnan	2,584,960	10.71%	2,584,960	10.71%

(3) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date.

Particulars	Aggregate number of shares	
	As at 31 March 2020	As at 31 March 2019
Equity shares with voting rights	24,140,800	24,140,800
Fully paid up by way of bonus shares	-	-

(4) Details of shares pledged : NIL

**Note 4 Reserves and surplus**

₹ in Lakhs

Particulars	₹ in Lakhs	
	As at 31 March 2020	As at 31 March 2019
4.1 Capital reserve		
Opening balance	4.60	4.60
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	4.60	4.60
4.2 Securities premium account		
Opening balance	305.00	305.00
Closing balance	305.00	305.00
4.3 General reserve		
Opening balance	40,591.33	35,098.37
Add: Transferred from surplus in Statement of Profit and Loss	3,400.00	6,700.00
Less: Utilised / transferred during the year for:		
Interim Dividend / Dividend Tax		1,207.04
Closing balance	43,991.33	40,591.33
4.4 Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	309.73	292.62
Add: Profit for the year	4,623.76	8,135.04
Less: Interim dividend	1,417.93	708.97
Dividends proposed to be distributed to equity shareholders Rs. 30 per share)	0.00	603.52
Tax on dividend	0.00	105.45
Transferred to: General Reserve	3,400.00	6,700.00
Closing balance	115.54	309.73
Total	44,416.47	41,210.66

Note 5 Long-term borrowings

Term Loans From Banks		
Secured	33,470.00	39,628.75
Unsecured	-	-
Total	33,470.00	39,628.75

5.1 Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

	₹ in Lakhs		₹ in Lakhs	
	As at 31 March 2020		As at 31 March 2019	
	Secured	Unsecured	Secured	Unsecured
<u>Term loans from banks:</u>				
Bank Citi Bank	53.83		1,187.66	
DBS	8,282.54		8,163.42	
SBI (Formerly SBT)	2,888.79		3,925.86	
SBI	1,507.20		2,078.40	
HDFC and Federal	14,125.00		15,000.00	
ICICI	14,062.50		15,000.00	
Total - Term loans from banks	40,919.86		45,355.34	
Less: Amounts due within 12 Months	7,449.86		5,726.59	
Total - Term loans from banks	<u>33,470.00</u>		<u>39,628.75</u>	

5.2 Terms of Security / Repayment

All loans secured by the charge over Fixed Assets of the Company except the lands at Singampunari / Viralmalai



₹ in Lakhs

Particulars			₹ in Lakhs
5.3	Instalments Payable	2020 - 21	7,449.86
		2021 - 22	7,876.95
		2022 - 23	6,430.76
		2023 - 24	6,491.76
		2024 - 25	6,491.76
		2025 - 26	3,283.27
		2026- 27	2,895.50
	Total		40,919.86

* Details of long-term borrowings guaranteed by some of the directors or others: **NIL**

* For the current maturities of long-term borrowings, refer items 9.1 and 9.2 - Other current liabilities.

* There is No default in the servicing / repayment of the loans.

Note 6 Other long-term liabilities

		₹ in Lakhs	
		As at 31 March 2020	As at 31 March 2019
6.1	Trade Payables	-	-
	Others than acceptances		
6.2	Others Payables on Purchase of Fixed Assets	-	1,740.31
	Rental Advance Received	229.35	105.62
	Advance from Customers	62.15	32.38
	Total	291.50	1,878.31

Note 7 Short-term borrowings

7.1	Loans repayable on demand from Banks		
	Secured	15,357.39	21,504.77
	Unsecured	306.87	1,924.29
	Total	15,664.26	23,429.06

Note: Details of security for the secured short-term borrowings:

		Nature of Security	
Loans repayable on demand from Banks	Hypothecation of Inventory/	15,664.26	23,429.06
Total - from banks	Book Debts	15,664.26	23,429.06
No Default in the Servicing of the facility availed.	Rate of Interest 6.96%		

Note 8 Trade payables

Trade Payables - Other than Acceptances	7,174.13	4,770.61
Total	7,174.13	4,770.61

Note 9 Other current liabilities

9.1	Current maturities of long-term debt - Secured	7,449.86	5,726.59
9.2	Unpaid dividends	98.52	43.76
	Total	7,548.38	5,770.35

Note : Current maturities of long-term debt (Refer Notes 5.1 and 5.4 - Long Term Borrowings for details of Security)

Note 10 Short Term Provisions

10.1	Provision for tax (net of advance tax)	-	-
	(As At 31 Mar 2020 ₹ 85,000,000)		
	(As At 31 Mar 2019 ₹ 2,12,500,000)		
10.2	Provision for proposed equity dividend	-	603.52
10.3	Provision for tax on proposed dividend	-	105.45
	Total	-	708.97



M M FORGINGS LIMITED

Notes forming part of the financial statements

Note 11 Fixed Assets

11.1 Tangible Assets	Gross block						
	Balance as at 1 April, 2019	Additions	Disposals	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31 March, 2020
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
11.1.1 Land	6170.80	46.47					6217.27
11.1.2 Buildings	11828.44	2054.07					13882.51
11.1.3 Plant and Equipment	82761.16	8701.19		425.59	395.17		92283.11
11.1.4 Furniture and Fixtures	203.41	19.18					222.59
11.1.5 Vehicles	577.63	45.05	11.51				611.17
11.1.6 Office equipment	1670.92	120.91					1791.83
Total	103212.36	10986.87	11.51	425.59	395.17	0.00	115008.48
Previous year	75495.98	27319.73	18.37	173.75	241.27	0.00	103212.36

All the Assets are free hold except leasehold land at Lucknow.

Note 11 Fixed Assets (contd.)

11.2 Tangible Assets	Accumulated depreciation and impairment				Net Block	
	Balance as at 1 April, 2019	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Other adjustment	Balance as at 31 March, 2020	Balance as at 1 April, 2019
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
111.1 Land	0.00				6217.27	6170.80
11.2.2 Buildings	2069.57	405.43			11407.51	9758.87
11.2.3 Plant and Equipment	40202.34	4789.97			47290.80	42558.82
11.2.4 Furniture and Fixtures	192.88	22.80			6.91	10.53
11.2.5 Vehicles	414.12	46.67	11.48		161.86	163.51
11.2.6 Office equipment	1527.72	57.89			206.22	143.20
Total	44406.63	5322.76	11.48	0.00	65290.57	58805.73
Previous year	38983.83	5441.17	18.37	0.00	58805.73	36512.15



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11.3 Depreciation and amortisation relating to continuing operations:

Particulars	For the year ended	
	31 March, 2020 ₹ in Lakhs	31 March, 2019 ₹ in Lakhs
Depreciation and amortisation for the year on tangible assets as per Note 12 A	5,322.76	5,441.17
Depreciation and amortisation for the year on intangible assets as per Note 12 B	-	-
Less: Utilised from revaluation reserve	-	-
Depreciation and amortisation relating to continuing operations	5,322.76	5,441.17

Note 12 Non-current investments

Particulars	As at 31 March, 2020			As at 31 March, 2019		
	Quoted # ₹ in Lakhs	Unquoted # ₹ in Lakhs	Total ₹ in Lakhs	Quoted ₹ in Lakhs	Unquoted ₹ in Lakhs	Total ₹ in Lakhs
Investments (At cost):						
12.1 Trade	NIL	NIL	NIL	NIL	NIL	NIL
12.2 Other investments						
12.2.1 Investment in equity instruments	14.10	474.34	488.44	14.10	416.12	430.22
- Fully Paid						
Total - Other investments (12.2)	14.10	474.34	488.44	14.10	416.12	430.22
Less: Provision for diminution in value of investments			-			-
Total			488.44			430.22
Aggregate amount of quoted investments			14.10			14.10
Aggregate market value of listed and quoted investments			22.79			36.12



₹ in Lakhs

Particulars	₹ in Lakhs	
	As at 31 March 2020	As at 31 March 2019
Note 13 Long-term loans and advances		
13.1 Security deposits	-	-
Secured, considered good	-	-
Unsecured, considered good	910.51	746.44
Doubtful	-	-
	<u>910.51</u>	<u>746.44</u>
Less: Provision for doubtful deposits	-	-
	<u>910.51</u>	<u>746.44</u>
13.2 Advance Income Tax	246.62	123.31
13.3 Mat Credit Available	1,008.79	190.67
13.4 Balances with government authorities		
Unsecured, considered good	-	-
13.4.1 Advance Sales tax	-	116.38
13.4.2 DVS Industries (P) Limited	8,981.55	8,404.96
	<u>8,981.55</u>	<u>8,521.34</u>
Total	11,147.47	9,581.76
Note: Long-term loans and advances - No dues from Directors, Officers of the Company, Firms in which any Director is a partner or any Private Limited Companies in which any Director is a Director		
Note 14 Other non-current assets		
14.1 Long Term Inventories (At lower of cost and net realisable value)		
14.1.1 Raw materials	1,079.39	253.26
14.1.2 Work-in-progress - Steel Forgings	138.20	73.40
14.1.3 Stores & Spares	698.72	454.33
14.1.4 Consumable Tools	0.26	104.25
Total	1,916.57	885.24
14.2 Other Assets		
14.2.1 Sundry Debtors	118.35	109.75
14.2.2 Advance to Suppliers	232.65	102.86
Total	2,267.57	1,097.85
Note 15 Inventories (At lower of cost and net realisable value)		
15.1 Raw materials	4,023.48	7,513.17
15.2 Work-in-progress - Steel Forgings	8,134.89	9,727.57
15.3 Stores and spares	231.65	897.50
15.4 Consumable Tools	454.66	611.93
Total	12,844.68	18,750.17



₹ in Lakhs

Particulars	₹ in Lakhs	
	As at 31 March 2020	As at 31 March 2019
Note 16 Trade receivables		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment #		
Secured, considered good	-	-
Unsecured, considered good	1,246.22	7,925.29
Doubtful	-	-
	1,246.22	7,925.29
Less: Provision for doubtful trade receivables	-	-
Total	1,246.22	7,925.29

Note: Trade Receivables - No dues from Directors, Officers of the Company, Firms in which any Director is a partner or any Private Limited Companies in which any Director is a Director

Note 17 Cash and cash equivalents

17.1 Cash on hand	3.16	2.26
17.2 Cheques, drafts on hand	-	-
17.3 Investments in Liquid funds	17,255.89	16,088.86
17.4 Balances with banks		
17.4.1 In current accounts	29.63	2.04
17.4.2 In deposit accounts (Refer Note below)	48.91	1,019.00
Total	17,337.59	17,112.16

Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 - Cash Flow Statement is ₹ 17255.89 Lakhs. (As at 31st March 2019 ₹ 16088.86 Lakhs)

Note: Balances with banks include deposits amounting to ₹ 19.00 Lakhs as at 31st March 2020 which have an original maturity of more than 12 months. (As at 31st March 2019- ₹ 19.00 Lakhs)

Note 18 Short-term loans and advances

18.1 Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	186.90	195.71
Doubtful	-	-
	186.90	195.71
Less: Provision for doubtful loans and advances	-	-
	186.90	195.71
18.2 Prepaid expenses - Unsecured, considered good	141.96	139.16
18.3 Balances with government authorities - Unsecured, considered good		
18.3.1 GST credit receivable	2,024.49	3,539.51
18.4 Others		
Secured, considered good	-	-
Unsecured, considered good	11.01	12.52
Doubtful	-	-
	11.01	12.52
Less: Provision for other doubtful loans and advances	-	-
	11.01	12.52
Total	2,364.36	3,886.90

Note: Short-term loans and advances - No amount is due from any Directors, Other Officers of the Company, Firms in which any Director is a partner, Private Companies in which any Director is a Director



₹ in Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Note 19 Other current assets		
19.1 Others	-	-
19.1.1 Insurance claims	2.82	63.61
Total	2.82	63.61
Note 20 Revenue from operations		
20.1 Sale of products	71,090.46	88,736.91
20.2 Other operating revenues	1,638.67	1,655.29
Total	72,729.13	90,392.20
20.1.1 Sale of products comprises <u>Manufactured goods</u>		
Steel Forgings	71,090.46	88,736.91
Total - Sale of products	71,090.46	88,736.91
20.2.1 Other operating revenues Power Generated	1,638.67	1,655.29
Total - Other operating revenues	1,638.67	1,655.29
Note 21 Other income		
21.1 Interest income from Bank Deposits	556.55	750.94
21.2 Dividend income: from long-term investments	1,059.82	770.45
21.3 Miscellaneous Income	234.33	62.91
Total	1,850.70	1,584.30
Note 22 Cost of materials consumed		
Opening stock	7,766.43	5,153.61
Add: Purchases	29,207.76	46,902.54
	36,974.19	52,056.15
Less: Closing stock	5,102.87	7,766.43
Cost of material consumed	31,871.32	44,289.72
Material consumed comprises: Raw material Steel Billets		
Note 23 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
<u>Inventories at the end of the year:</u>		
Work-in-progress Forgings	8,273.09	9,800.97
<u>Inventories at the beginning of the year:</u>		
Work-in-progress Forgings	9,800.97	6,394.22
Net (increase) / decrease	1,527.88	-3,406.75
Note 24 Employee benefits expense		
24.1 Salaries and wages	6,552.08	6,482.71
24.2 Managerial Remuneration	628.04	1,167.27
24.2 Contributions to provident and other funds	388.06	367.77
24.3 Staff Gratuity	31.40	36.24
24.4 Staff welfare expenses	668.68	695.36
Total	8,268.26	8,749.35
Note 25 Finance costs		
Interest expense on: Borrowings	3,305.18	2,613.96
Total	3,305.18	2,613.96



₹ in Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Note 26 Other expenses				
26.1 Consumption of Stores			1,720.78	2,323.39
26.2 Consumption of Tools			2,076.07	2,500.27
26.3 Outside Labour			815.51	1,206.79
26.4 Power and fuel			7,116.81	7,973.70
26.5 Repairs and Maintenance				
26.5.1 Buildings	157.49	208.14		
26.5.2 Machinery	749.48	1,092.99		
26.5.3 Machinery Spares	994.04	1,585.97	1,901.01	2,887.10
26.6 Selling Expenses			966.34	1,175.49
26.6 Export Expenses				
26.7.1 Packing & Forwarding	655.09	836.44		
26.7.2 Freight	657.65	1,009.17		
26.7.3 Commission	421.86	602.56		
26.7.4 Warehousing Charges	569.58	501.91		
26.7.5 Others	112.32	143.92	2,416.50	3,094.00
26.8 Loss on fixed assets sold / scrapped / written off			-	-
26.9 Miscellaneous expenses			1,529.53	2,274.21
Total			18,542.55	23,434.95
Miscellaneous expenses includes payment to auditors comprising of :				
As auditors - statutory audit			15.15	14.66
For taxation matters			1.35	1.35
Reimbursement of Expenses / Service Tax			0.74	2.91
Total			17.24	18.92

Note 27 Additional information to the financial statements**Particulars**

27.1 Contingent liabilities and commitments (to the extent not provided for)				
27.1.1 Contingent Liabilities - Foreign Bills Discounted with Bank			-	246.71

Note 28 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

NIL

NIL



Particulars	As at 31 March 2020	As at 31 March 2019
Note 29 Disclosure as per SEBI (LODR)		
29.1 Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties	NIL	NIL
29.2 The Directors of the Company are Directors/Partners of the following concerns:		

Other Directorship		Other Committee Memberships		
Name of the Company	Position	Name of the Company	Committees	Position
Shri N. Srinivasan Anna Investments Private Ltd Coromandel Electric Co. Ltd Coromandel Sugars Ltd E.W.Stevens & Co. Private Ltd EWS Finance & Invst Ltd ICL Financial Services Ltd ICL Securities Ltd Prince Holdings (Madras) P Ltd Rupa Holdings P Ltd Thambi Investments Private Ltd The India Cements Limited	Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Vice Chairman & Managing Director	The India Cements Ltd.	Stakeholders Relationship Committee	Member
Shri V. Vaidyanathan Medical Research Foundation- Sankara Nethralaya Vision Research Foundation	Board Member Board Member			
Shri A.Gopalakrishnan Directorship in Other Companies	NIL			
Smt Kavitha Vijay A.V.Thomas & Co Ltd Madhura Micro Finance Limited Wolters Kluwer ELM Solutions (P) Ltd A.V.Thomas & Co Ltd Unversal Legal	Director Director Director Director Parter			
Shri Vidyashankar Krishnan Association of Indian Forging Industry Synmax Consultants & Trading Private Limited Sivasundar Private Limited Baylife Medicare Private Ltd Unique Technologies Adi Sankara Trust	Managing Committee Director Director Director Partner Director			
Shri Venkatramanan Krishnan Synmax Consultants & Trading Private Limited Sivasundar Private Limited Baylife Medicare Private Ltd Unique Technologies	Director Director Director Partner			

DETAILS OF PAYMENTS MADE TO RELATED PERSONS:

K. Vidyashankar	₹ 30,913,591	Kavitha Vijay	₹ 352,500
K. Venkatramanan	₹ 30,889,975	S. Subramanian	₹ 2,522,189
V. Vaidyanathan	₹ 480,000	Advance to DVS Industries (P) Limited - Subsidiary	₹ 898,155,258
N. Srinivasan	₹ 30,000		
A. Gopalakrishnan	₹ 340,000		



Particulars		As at 31 March 2020	As at 31 March 2019
29.3	The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:	Receivable/ (Payable)	Receivable/ (Payable)
	Receivable/ (Payable) in Foreign Currency	NIL	NIL
		For the year ended 31 March 2020	For the year ended 31 March 2019
29.4	Value of imports calculated on CIF basis		
	Raw materials	-	-
	Consumable Stores / Tools	17.70	65.60
	Machinery Spares	4.67	3.32
	Capital goods	797.47	1,020.21
29.5	Expenditure in foreign currency		
	Travelling	106.12	108.12
	Export Expenses	1,102.51	740.54
	Staff Training	4.00	0.05
29.6	Details of consumption of imported and indigenous items		
		31st Mar 2020	31st Mar 2019
	<u>Imported</u>	₹ in Lakhs	₹ in Lakhs
		%	%
	Raw materials	-	-
	Consumable Stores / Tools	17.70	65.60
	Machinery Spares	4.67	3.32
		<u>22.37</u>	<u>68.92</u>
	<u>Indigenous</u>		
	Raw materials	31,871.32	44,289.72
	Consumable Stores / Tools	3,779.15	4,758.06
	Machinery Spares	989.37	1,582.65
		<u>36,639.84</u>	<u>50,630.43</u>
29.7	Earnings in foreign exchange		
	Export of goods calculated on CIF basis	36,830.87	44,114.63
Note 30 Disclosures under Accounting Standards (contd.)			
30.1	Details of government grants	Nil	Nil
30.2	Details of borrowing costs capitalised		
	Borrowing costs capitalised during the year		
	- as fixed assets / intangible assets / capital work-in-progress	395.17	241.27
	-		
Note 31 Deferred Tax Liability			
	Tax Effect of Items constituting the same:-		
	on difference between book balance and tax balance of Fixed Assets	2,980.91	1,864.21

**Cash Flow Statement for the year ended 31st March 2020**

(₹ in lakhs)

	For the year ended 31 March 2020	For the year ended 31 March 2019
A Cash Flow From Operating Activities		
Net Profit / (Loss) before extraordinary items and tax	5,742.32	10,856.51
<i>Adjustments for:</i>		
Depreciation and amortisation	5,322.76	5,441.17
(Profit) / Loss on sale / write off of assets	(0.44)	(2.41)
Finance costs	3,305.18	2,613.96
Interest income	(556.55)	(750.94)
Dividend income	(1,059.82)	(770.45)
	7,011.13	6,531.33
Operating Profit / (Loss) before working capital changes	12,753.45	17,387.84
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	5,905.50	(6,224.53)
Trade receivables	6,679.07	(2,268.46)
Short-term loans and advances	1,522.54	(845.93)
Long-term loans and advances	(624.28)	(4,059.07)
Other current assets	6.03	(56.08)
Other non-current assets	(1,169.72)	16.97
<i>Adjustments for increase/(decrease) in operating liabilities</i>		
Trade payables	2,403.52	(1,390.19)
Other current liabilities	1,778.03	1,682.22
Other long-term liabilities	(1,586.81)	1,532.21
	14,913.88	(11,612.86)
Cash generated from operations	27,667.33	5,774.98
Net income tax (paid) / refunds	(943.35)	(2,513.43)
Net cash flow from / (used in) operating activities (A)	26,723.98	3,261.55
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(8,759.76)	(28,917.41)
Proceeds from sale of fixed assets	0.47	2.41
Long Term Investments	-	(58.22)
Interest received	556.55	750.94
Dividend received	1,059.82	770.45
Net cash flow from / (used in) investing activities (B)	(7,142.92)	(27,451.83)
C. Cash flow from financing activities		
Proceeds from long-term borrowings(Net)	-	22,802.25
Repayment of long-term borrowings(Net)	(6,158.75)	
Net increase / (decrease) in working capital borrowings	(7,764.80)	6,170.42
Repayment of other short-term borrowings		
Finance cost	(3,305.18)	(2,613.96)
Interim Dividend / Tax on Dividend	(1,417.93)	(708.97)
Dividends paid	(603.52)	(603.52)
Tax on dividend	(105.45)	(97.91)
Net cash flow from / (used in) financing activities (C)	(19,144.74)	24,948.31
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	225.43	758.03
Cash and cash equivalents at the beginning of the year	17,112.17	16,397.88
Cash and cash equivalents at the end of the year	17,337.59	17,155.92
	225.43	758.03

In terms of our Report of even date

For GRNK & Co.
Chartered Accountants
FRN 016847S

N. Srinivasan
Chairman
(DIN : 00116726)

Vidyashankar Krishnan
Vice Chairman and
Managing Director
(DIN : 00081441)

K. Venkatramanan
Joint Managing Director
(DIN : 00823317)

G. R. Naresh Kumar
Proprietor
Membership no. 215577

V.Vaidyanathan
Director
(DIN : 00081792)

A. Gopalakrishnan
Director
(DIN : 06414546)

Kavitha Vijay
Director
(DIN : 01047261)

Place : Chennai
Date : 29.07.2020

J.Sumathi
Company Secretary

R.Venkatakrishnan
Chief Financial Officer



Consolidated
Financial Statement 2019-20



INDEPENDENT AUDITORS' REPORT

To the Members of M M Forgings Limited

Report on the Audit of Consolidated Financial Results

Opinion

1. We have audited the consolidated annual financial results of M M Forgings Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date (together referred to as the 'consolidated financial results'), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements/financial information of the subsidiaries, the aforesaid consolidated financial results:
 - (a) include the annual financial results of the following entities:

Subsidiaries:

 - i. DVS Industries Private Limited
 - (b) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations as amended; and
 - (c) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013, (the "Act") and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Group for the year ended March 31, 2020 and the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Consolidated Financial Results' section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw your attention to the consolidated financial results which explains the uncertainties and the management's assessment of the financial impact due to lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Board of Directors' Responsibilities for the Consolidated Financial Results

5. These Consolidated financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group and the consolidated statement of assets and liabilities and the consolidated statement of cash flows in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively



for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

6. In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or has no realistic alternative but to do so.
7. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditors' Responsibilities for the Audit of the Consolidated Financial Results

8. Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. (Refer paragraph 17 below)

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors.

10. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
11. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.



Other Matters

12. The Consolidated financial results include the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year, which were reviewed by us.

For G R N K & Co
Chartered Accountants
Firm Reg No. 016847S

Place : Tiruchirapalli
Date : 29/07/2020

G.R. Naresh Kumar
Sole Proprietor
Membership No.215577
UDIN:20215577AAAABD2370

ANNEXURE A TO THE AUDITOR'S REPORT

The Annexure referred to in Independent Auditor's Report to the members of the Company on the Financial Statements for the Year Ended 31.03.2020:

We report that

- I a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) As explained to us, all the assets have not been physically verified by the management during the year but there is a regular program of verification to cover all the items of Fixed Assets in a phased manner, which, in our opinion, is reasonable, considering the size and the verification having regard to the size of the company and the nature of its assets. Pursuant to the program, certain Fixed Assets were physically verified by the Management during the year. No material discrepancies have been noticed on such physical verification.
- c) According to the information and explanations furnished to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that the Title Deeds, comprising of all the immoveable properties of the Land Buildings which are Freehold, are held in the name of the company as at the Balance Sheet date. Based on the above, we also report that all the assets of the Company are Freehold and the Company has not acquired any Asset on Lease. Also, all the assets are held for the use of the Company only and none of the assets are held for use by others.
- II a) The inventories have been physically verified by the management during the year at reasonable intervals, except materials lying with third parties, where confirmations are obtained. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) According to the information and explanations furnished to us, apart from the Loan of Rs. 8981.55 Lakhs to M/S. DVS Industries Private Limited, subsidiary of the Company, the Company has neither granted nor taken any loans to and from companies, firms or other parties covered in the Register, maintained under Section 189 of the Companies Act, 2013. In respect of the loan to such subsidiary company:-
- a) The Terms and conditions of the grant of such loan is, in our opinion, not prejudicial to the interest of the Company;
- b) The repayment of the said loan is yet to commence as per the schedule stipulated for the repayment;
- c) There is no overdue amount remaining outstanding as on the date of the Balance Sheet.
- IV In our opinion and according to the information and explanations furnished to us, the Company has complied with the Provisions of Sections 185 and 186 of The Act in respect of Grant of Loans and making investments. The Company has not given any Guarantees and securities falling under section 185 / 186 of The Companies Act 2013.
- V During the year, the Company has not accepted any Deposits from the Public or from the members. The Company does not have any Deposits on the date of the Balance Sheet. The Company does not have any Unclaimed Deposits on the date of the Balance Sheet. Therefore, the provisions of Clause 3 (v) of the Order are not applicable to the Company.
- VI The maintenance of Cost Records under section 148 (1) of The Act has not been specified by The Central Government for the Business activities carried on by the Company. Thus, reporting under Clause 3 (vi) of the Order is not applicable to the Company.



- VII a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, GST, Sales Tax, Value Added Tax, Wealth Tax, Customs Duty, Excise Duty, Service Tax, Cess and other material statutory dues applicable to it.
- b) There were no undisputed amounts payable in respect of any of the above statutory dues.
- VIII Based on our audit procedure and on the information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of its dues to Financial Institutions, Banks and debenture holders.
- IX The Company has not raised any money by way of initial public offer or other public offer. The Company has reduced the following term loans / Working Capital facilities from Banks:
- | | |
|---------------------------|---------------------|
| Net Long Term Borrowings | Rs. (4102.46) Lakhs |
| Net Short Term Borrowings | Rs. (7764.80) Lakhs |
- Based on our audit, we report that the proceeds of the Term Loan / Working Capital have been utilized for the purpose for which they were borrowed – namely creation of Fixed Assets of the Company. The total investment in Fixed Assets / Current Assets for the year is at Rs. 9683.76 Lakhs as against reduction in Term Loan of Rs. 4102.46 Lakhs. Further, as against Working Capital Borrowings of Rs. 7764.80 Lakhs during the Year, the application for Short Term uses is at Rs. 14417.94 Lakhs.
- X To the best of our knowledge and based on the audit procedures performed and information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- XI Based on the audit procedures performed and information and explanations given by the management, we report that the Company has paid / provided for Managerial Remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to The Act.
- XII The Company is Not a Nidhi Company. Accordingly, para 3 (xii) of The Order is not applicable to the Company.
- XIII Based on the audit procedures performed and information and explanations given by the management, all the transactions with the related parties are in compliance with Sections 177 / 188 of the Companies Act 2013 were applicable and details of such transactions are duly reported in the consolidated Financial Statements as required by the applicable Accounting Standards.
- XIV During the Year, The Company has not made any preferential allotment or Private placement of shares or fully / partly convertible debentures during the year. Hence, reporting under Clause 3 (xiv) of the Order is not applicable to the Company.
- XV Based on the audit procedures performed and information and explanations given by the management The Company has not entered in to any Non Cash Transactions with Directors or persons connected with him and hence, the provisions of section 192 of The Companies Act 2013, are not applicable to the Company.
- XVI. No registration is required under Section 45 IA of The Reserve Bank of India Act.

For G R N K & Co
Chartered Accountants
Firm Reg No. 016847S

Place : Tiruchirapalli
Date : 29/07/2020

G.R. Naresh Kumar
Sole Proprietor
Membership No.215577
UDIN:20215577AAAABD2370

Annexure B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub – section 3 of Section 143 of the Companies Act, 2013, ('the Act')

We have audited the internal financial controls over financial reporting of M.M Forgings Ltd ('the Company') as of 31 March 2020 in conjunction with our audit of the Consolidated Ind AS financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the



internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') and the standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control systems over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of the management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely direction of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G R N K & Co
Chartered Accountants
Firm Reg No. 016847S

Place : Tiruchirapalli
Date : 29/07/2020

G.R. Naresh Kumar
Sole Proprietor
Membership No.215577
UDIN:20215577AAAABD2370

Consolidated Balance Sheet as at 31st March, 2020

(₹ in lakhs)

	Note No.	As at March 2020	As at March 2019
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
1.1 Share capital	3	2,414.08	2,414.08
1.2 Reserves and surplus	4	43,086.42	40,312.14
		<u>45,500.50</u>	<u>42,726.22</u>
2 Non-current liabilities			
2.1 Long-term borrowings	5	33,470.00	39,628.75
2.2 Deferred tax liabilities (net)		2,980.91	1,864.21
2.3 Other long-term liabilities	6	296.70	1,880.73
		<u>36,747.61</u>	<u>43,373.69</u>
3 Current liabilities			
3.1 Short-term borrowings	7	15,664.26	23,429.06
3.2 Trade payables	8	7,903.05	5,793.69
3.3 Other current liabilities	9	7,548.38	5,770.35
3.4 Short-term provisions	10	-	708.97
		<u>31,115.69</u>	<u>35,702.07</u>
TOTAL		<u>113,363.80</u>	<u>121,801.98</u>
B ASSETS			
1 Non-current Assets			
1.1 Fixed Assets			
1.1.1 Tangible Assets	11	71,238.85	65,117.99
1.1.2 Capital work-in-progress		1,271.07	3,919.31
		<u>72,509.92</u>	<u>69,037.30</u>
1.2 Non-current investments	12	329.14	329.14
1.3 Long-term loans and advances	13	2,207.06	954.28
1.4 Other non-current assets	14	2,743.67	1,489.33
		<u>5,279.87</u>	<u>2,772.75</u>
2 Current Assets			
2.1 Inventories	15	13,361.25	19,469.23
2.2 Trade receivables	16	2,074.54	9,031.82
2.3 Cash and cash equivalents	17	17,480.38	17,163.89
2.3.1 Restricted Bank Accounts		98.52	43.76
2.4 Short-term loans and advances	18	2,556.45	4,219.59
2.5 Other current assets	19	2.82	63.61
		<u>35,573.96</u>	<u>49,991.90</u>
		<u>113,363.80</u>	<u>121,801.98</u>

See accompanying notes forming part of the financial statements

In terms of our Report of even date

For GRNK & Co.
 Chartered Accountants
 FRN 016847S

N. Srinivasan
 Chairman
 (DIN : 00116726)

Vidyashankar Krishnan
 Vice Chairman and
 Managing Director
 (DIN : 00081441)

K. Venkatraman
 Joint Managing Director
 (DIN : 00823317)

G. R. Naresh Kumar
 Proprietor
 Membership no. 215577

V.Vaidyanathan
 Director
 (DIN : 00081792)

A. Gopalakrishnan
 Director
 (DIN : 06414546)

Kavitha Vijay
 Director
 (DIN : 01047261)

 Place : Chennai
 Date : 29.07.2020

J.Sumathi
 Company Secretary

R.Venkatakrishnan
 Chief Financial Officer

**Consolidated Profit and Loss account for the year ended 31st March, 2020**

(₹ in lakh ₹ in lakhs)

	Note No.	For the year ended 31 March 2020	For the year ended 31 March 2019
A CONTINUING OPERATIONS			
1 Revenue from operations Net of Excise Duty	20	76,917.09	93,411.52
2 Other income	21	1,856.74	1,585.95
3 Total revenue (1+2)		78,773.83	94,997.47
4 Expenses			
4.1 Cost of materials consumed	22	33,703.17	45,525.14
4.2 Changes in inventories of Finished Goods / Work-In-Process	23	1,790.81	-3,280.42
4.3 Employee benefits expense	24	8,910.85	9,393.70
4.4 Finance costs	25	3,829.79	3,158.32
4.5 Depreciation and amortisation Expenses	11.3	5,955.57	5,807.39
4.6 Other expenses	26	19,294.33	24,304.99
Total expenses		73,484.52	84,909.12
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		5,289.31	10,088.35
6 Exceptional items		-	-819.42
Profit on Sale of Business Asset		-	-
Profit on Sale of Other Assets		0.44	2.41
7 Profit / (Loss) before extraordinary items and tax (5 + 6)		5,289.75	9,271.34
8 Extraordinary items			
9 Profit / (Loss) before tax (7 + 8)		5,289.75	9,271.34
10 Tax expense:			
10.1 Current tax expense for current year		818.12	2,100.00
10.2 Tax expense relating to prior years		1.86	92.49
10.3 Net current tax expense		819.98	2,192.49
10.4 Mat Credit adjusted		-818.12	6.95
10.5 Deferred tax Liability /(Asset)		1,116.70	522.03
		1,118.56	2,721.47
11 Profit / (Loss) from continuing operations (9 + 10)		4,171.19	6,549.87
B DISCONTINUING OPERATIONS			
12 Profit / (Loss) from discontinuing operations		-	-
C TOTAL OPERATIONS		4,171.19	6,549.87
13 Profit / (Loss) for the year (11 + 12)		4,171.19	6,549.87
14 Earnings per share (of Rs. 10 /- each):			
14.1 Basic			
14.1.1 Continuing operations		17.28	54.26
14.1.2 Total operations		17.28	54.26
14.2 Diluted			
14.2.1 Continuing operations		17.28	54.26
14.2.2 Total operations		17.28	54.26

See accompanying notes forming part of the financial statements

In terms of our Report of even date

For GRNK & Co.
Chartered Accountants
FRN 016847S

N. Srinivasan
Chairman
(DIN : 00116726)

Vidyashankar Krishnan
Vice Chairman and
Managing Director
(DIN : 00081441)

K. Venkatramanan
Joint Managing Director
(DIN : 00823317)

G. R. Naresh Kumar
Proprietor
Membership no. 215577

V.Vaidyanathan
Director
(DIN : 00081792)

A. Gopalakrishnan
Director
(DIN : 06414546)

Kavitha Vijay
Director
(DIN : 01047261)

Place : Chennai
Date : 29.07.2020

J.Sumathi
Company Secretary

R.Venkatakrisnan
Chief Financial Officer

Notes forming part of the consolidated financial statements
1 Corporate information

The Company is engaged in the manufacture of Steel Forgings. The plants for manufacture are located at Singampunari – Sivagangai District, Viralimalai -Pudukkottai District and Karainathangal Village-Kanchipuram District, all within the state of Tamil Nadu. The company has its machining plant in Kursi Road, Barabanki situated in the state of Uttar Pradesh. The 100% owned subsidiary Company DVS Industries Pvt Ltd located in the state of Uttarakhand.

2 Significant accounting policies followed by the company:-
2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. Sales does not include GST.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Work-in-progress and finished goods include appropriate proportion of overheads .

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation and amortisation

Depreciation has been provided on straight-line method as per the rates prescribed in Schedule II to the Companies Act, 2013, and accelerated depreciation is provided, wherever necessary.

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful life and the residual value of the assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The expected life is based on historic experience with similar assets as well as anticipation of future events, which may impact their life such as changes in technology.

Property, Plant And Equipment are stated at Cost Less accumulated Depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the Property, Plant and Equipmenta re put to use. The Company depreciates Property, Plant and Equipment over their estimated useful life using Straight Line Method. The estimated useful life of assets are as follows:

Particulars	
Building	30 Years
Plant And Machinery	15 Years
Office Equipment	5 Years
Computer Equipments	5 Years
Furnirure And Fittings	10 Years
Vehicles	5 Years

**Notes forming part of the consolidated financial statements**

Based on technical evaluation, the Management believes that the useful life as given above represents the period over which the Management expects to use these assets. Hence, the useful life for these assets is different from the useful life as prescribed under Part C of Schedule II to The Companies Act, 2013. Depreciation method, useful life and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each Balance Sheet Date is classified as Capital Advances under Other Non Current assets and the cost of assets not put to use before such date are disclosed under Capital Work in Progress. Subsequent expenditures relating to Property, Plant And Equipment are capitalised only when it is possible that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and Maintenance Costs are recognised in Net Profit in the Statement of Profit And Loss when incurred. The cost and related accumulated Depreciation are eliminated from the Financial Statements upon sale or retirement of the Asset and the resultant Gains or Losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

2.7 Revenue recognitionSale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer. Sales does not include GST.

2.8 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.9 Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes all expenses incurred in connection with the acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10 Foreign currency transactions and translationsInitial recognition

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

The Loss, if any, in the case of Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are considered / restated at the year-end rates. However, gains if any, are not considered.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. The amount capitalised in the current year is at ₹ 45996427 (Last Year ₹ 38289883).

Accounting of forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts.

2.11 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.



Notes forming part of the consolidated financial statements

2.12 Employee benefits

Employee benefits include provident fund, superannuation fund, gratuity fund and compensated absences,

Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

Defined benefit plans

For defined benefit plans in the form of gratuity fund / Super Annuation fund, the same are covered under Group Gratuity Scheme of LIC and Super Annuation Fund with LIC..

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

2.13 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. .

2.14 Segment reporting

The Company is engaged in only one segment - Manufacture of Steel Forgings

2.15 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2.16 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the statement of Profit and Loss.

2.17 Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of

**Notes forming part of the consolidated financial statements**

products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

2.18 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.19 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.20 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

**Notes forming part of the consolidated financial statements****Note 3 Share capital**

	Particulars	As at 31 March 2020		As at 31 March 2019	
		Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
3.1	Authorised				
	Equity shares of ₹ 10 each with voting rights	30,000,000	3,000.00	30,000,000	3,000.00
3.2	Issued				
	Equity shares of ₹ 10 each with voting rights	24,145,600	2,414.56	24,145,600	2,414.56
3.3	Subscribed and fully paid up				
	Equity shares of ₹ 10 each with voting rights	24,140,800	241,408.00	24,140,800	241,408.00

(1) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Buy back	Other changes (Bonus Shares)	Closing Balance
Equity shares with voting rights				
Year ended 31 March, 2020				
- Number of shares	24,140,800	-	-	24,140,800
- Amount ₹ in lakhs	2,414.08	-	-	2,414.08
Year ended 31 March, 2019				
- Number of shares	12,070,400	-	12,070,400	24,140,800
- Amount ₹ in lakhs	1,207.04	-	1,207.04	2,414.08

(2) Details of shares held by each shareholder holding more than 5% shares:

Class of Shares	As at 31 March 2020		As at 31 March 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Synmax Consultants and Trading Pvt Ltd	5,796,000	24.01%	5,796,000	24.01%
Vidyashankar Krishnan	2,720,240	11.27%	2,720,240	11.27%
Venkatramanan Krishnan	2,584,960	10.71%	2,584,960	10.71%

(3) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date.

Particulars	Aggregate number of shares	
	As at 31 March 2020	As at 31 March 2019
Equity shares with voting rights	24,140,800	24,140,800
Fully paid up by way of bonus shares	-	-

(4) Details of shares pledged : NIL

**Notes forming part of the consolidated financial statements****Note 4 Reserves and surplus**

₹ in Lakhs

Particulars	₹ in Lakhs	
	As at 31 March 2020	As at 31 March 2019
4.1 Capital reserve		
Opening balance	4.60	4.60
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	4.60	4.60
4.2 Securities premium account		
Opening balance	324.40	324.40
Closing balance	324.40	324.40
4.3 General reserve		
Opening balance	41,092.05	35,599.09
Add: Transferred from surplus in Statement of Profit and Loss	3,400.00	6,700.00
Less: Utilised / transferred during the year for:		
Interim Dividend / Dividend Tax	0.00	1,207.04
Closing balance	44,492.05	41,092.05
4.4 Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(1,108.93)	(875.04)
Add: Profit for the year	4,192.22	7,884.04
Less: Interim dividend	1,417.93	708.97
Less: Dividends proposed to be distributed to equity shareholders Rs. 30 per share)	-	603.52
Tax on dividend	0.00	105.45
Transferred to: General Reserve	3,400.00	6,700.00
Closing balance	(1,734.63)	(1,108.91)
Total	43,086.42	40,312.14

Note 5 Long-term borrowings

Term Loans From Banks

Secured	33,470.00	39,628.75
Unsecured	9,007.04	8,728.78
Total	42,477.04	48,357.53

5.1 Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

	₹ in Lakhs		₹ in Lakhs	
	As at 31 March 2020		As at 31 March 2019	
	Secured	Unsecured	Secured	Unsecured
<u>Term loans from banks:</u>				
Bank				
Citi Bank	53.83		1,187.66	
DBS	8,282.54		8,163.42	
SBI (Formerly SBT)	2,888.79		3,925.86	
SBI	1,507.20		2,078.40	
HDFC and Federal	14,125.00		15,000.00	
ICICI	14,062.50		15,000.00	
Total - Term loans from banks	40,919.86		45,355.34	
Less: Amounts due within 12 Months	7,449.86		5,726.59	
Total - Term loans from banks	33,470.00		39,628.75	
5.1.1 Others	25.49		323.82	

5.2 Terms of Security / Repayment

All loans secured by the charge over Fixed Assets of the Company except the lands at Singampunari / Viralimalai

**Notes forming part of the consolidated financial statements**

₹ in Lakhs

Particulars			
5.3	Instalments Payable	2020 - 21	7,449.86
		2021 - 22	7,876.95
		2022 - 23	6,430.76
		2023 - 24	6,491.76
		2024 - 25	6,491.76
		2025 - 26	3,283.27
		2026- 27	2,895.50
	Total		40,919.86

* Details of long-term borrowings guaranteed by some of the directors or others: **NIL**

* For the current maturities of long-term borrowings, refer items 9.1 and 9.2 - Other current liabilities.

* There is No default in the servicing / repayment of the loans.

Note 6 Other long-term liabilities

		As at 31	₹ in Lakhs
		March 2020	As at 31
			March 2019
6.1	Trade Payables	-	-
	Others than acceptances		
6.2	Others Payables on Purchase of Fixed Assets	-	1,740.31
	Rental Advance Received	229.35	105.62
	Advance from Customers	67.35	32.80
	Total	296.70	1,880.73

Note 7 Short-term borrowings

7.1	Loans repayable on demand from Banks		
	Secured	15,357.39	21,504.77
	Unsecured	306.87	1,924.29
	Total	15,664.26	23,429.06

Note: Details of security for the secured short-term borrowings:

		Nature of Security	
Loans repayable on demand from Banks		15,664.26	23,429.06
Total - from banks		15,664.26	23,429.06
No Default in the Servicing of the facility availed.			

Note 8 Trade payables

Trade Payables - Other than Acceptances	7,903.05	5,793.69
Total	7,903.05	5,793.69

Note 9 Other current liabilities

9.1	Current maturities of long-term debt - Secured	7,449.86	5,726.59
9.2	Unpaid dividends	98.52	43.76
	Total	7,548.38	5,770.35

Note : Current maturities of long-term debt (Refer Notes 5.1 and 5.4 - Long Term Borrowings for details of Security)

Note 10 Short Term Provisions

10.1	Provision for tax (net of advance tax)	-	-
	(As At 31 Mar 2020 ₹ 85,000,000)		
	(As At 31 Mar 2019 ₹ 2,12,500,000)		
10.2	Provision for proposed equity dividend	-	603.52
10.3	Provision for tax on proposed dividend	-	105.45
	Total	-	708.97



M M FORGINGS LIMITED

Notes forming part of the consolidated financial statements

Note 11 Fixed Assets

	Gross block						
	Balance as at 1 April, 2019	Additions	Disposals	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31 March, 2020
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
11.1 Tangible Assets							
11.1.1 Land	6441.27	46.47	113.97	0.00	0.00	0.00	6373.77
11.1.2 Buildings	12670.32	2088.42	0.00	0.00	0.00	0.00	14758.74
11.1.3 Plant and Equipment	91244.25	8924.97	140.16	425.59	395.17	0.00	100849.82
11.1.4 Furniture and Fixtures	259.23	19.18	0.00	0.00	0.00	0.00	278.41
11.1.5 Vehicles	793.60	45.05	11.51	0.00	0.00	0.00	827.14
11.1.6 Office equipment	1800.75	121.50	1.43	0.00	0.00	0.00	1920.82
11.1.7 Goodwill	0.00	265.68	0.00	0.00	0.00	0.00	265.68
Total	113209.42	11511.27	267.07	425.59	395.17	0.00	125274.38
Previous year	82887.47	29925.30	18.37	173.75	241.27	0.00	113209.42

All the Assets are free hold except leasehold land at Lucknow and land Rudrapur for Subsidiary.

Note 11 Fixed Assets (contd.)

	Accumulated depreciation and impairment				Net Block	
	Balance as at 1 April, 2019	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Other adjustment	Balance as at 31 March, 2020	Balance as at 1 April, 2019
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
11.2 Tangible Assets						
11.2.1 Land	0.00	0.00	0.00	0.00	6373.77	6441.27
11.2.2 Buildings	2288.83	435.03	0.00	0.00	2723.86	10381.49
11.2.3 Plant and Equipment	43341.63	5354.34	0.00	0.00	48695.97	47902.62
11.2.4 Furniture and Fixtures	244.81	25.32	0.00	0.00	270.13	14.42
11.2.5 Vehicles	562.01	79.00	11.48	0.00	629.53	231.59
11.2.6 Office equipment	1654.15	61.88	1.43	0.00	1714.60	146.60
11.2.7 Goodwill	0.00	0.00	0.00	0.00	265.68	0.00
Total	48091.43	5955.57	12.91	0.00	54034.09	65117.99
Previous year	42302.41	5807.39	18.37	0.00	48091.43	40585.06



M M FORGINGS LIMITED

11.3 Depreciation and amortisation relating to continuing operations:

Particulars	For the year ended 31 March, 2020 ₹ in Lakhs	For the year ended 31 March, 2019 ₹ in Lakhs
Depreciation and amortisation for the year on tangible assets as per Note 12 A	5,955.57	3,893.01
Depreciation and amortisation for the year on intangible assets as per Note 12 B	-	-
Less: Utilised from revaluation reserve	-	-
Depreciation and amortisation relating to continuing operations	5,955.57	3,893.01

Note 12 Non-current investments

Particulars	As at 31 March, 2020			As at 31 March, 2019		
	Quoted # ₹ in Lakhs	Unquoted # ₹ in Lakhs	Total ₹ in Lakhs	Quoted ₹ in Lakhs	Unquoted ₹ in Lakhs	Total ₹ in Lakhs
Investments (At cost):						
12.1 Trade	NIL	NIL	NIL	NIL	NIL	NIL
12.2 Other investments						
12.2.1 Investment in equity instruments	14.10	474.34	488.44	14.10	416.12	430.22
- Fully Paid						
Total - Other investments (12.2)	14.10	474.34	488.44	14.10	416.12	430.22
Less: Provision for diminution in value of investments			-			-
Total			488.44			430.22
Aggregate amount of quoted investments			14.10			14.10
Aggregate market value of listed and quoted investments			22.79			36.12

Notes forming part of the consolidated financial statements

₹ in Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Note 13 Long-term loans and advances		
13.1 Security deposits	-	-
Secured, considered good	-	-
Unsecured, considered good	929.76	772.86
Doubtful	-	-
	<u>929.76</u>	<u>772.86</u>
Less: Provision for doubtful deposits	-	-
	<u>929.76</u>	<u>772.86</u>
13.2 Advance Income Tax	274.10	178.29
13.3 Mat Credit Available	1,028.69	210.57
13.4 Balances with government authorities		
Unsecured, considered good		
13.4.1 Advance Sales tax	-	116.38
13.4.2 DVS Industries (P) Limited	-	-
	-	116.38
Total	2,232.55	1,278.10
Note: Long-term loans and advances - No dues from Directors, Officers of the Company, Firms in which any Director is a partner or any Private Limited Companies in which any Director is a Director		
Note 14 Other non-current assets		
14.1 Long Term Inventories (At lower of cost and net realisable value)		
14.1.1 Raw materials	1,079.39	253.26
14.1.2 Work-in-progress - Steel Forgings	138.20	73.40
14.1.3 Stores & Spares	698.72	454.33
14.1.4 Consumable Tools	0.26	104.25
Total	1,916.57	885.24
14.2 Other Assets		
14.2.1 Sundry Debtors	473.67	109.75
14.2.2 Advance to Suppliers	353.43	494.34
14.2.3 Insurance claims	-	-
Total	2,743.67	1,489.33
Note 15 Inventories (At lower of cost and net realisable value)		
15.1 Raw materials	4,148.79	7,676.93
15.2 Work-in-progress - Steel Forgings	8,426.73	10,282.34
15.3 Stores and spares	279.34	897.99
15.4 Consumable Tools	506.39	611.97
Total	13,361.25	19,469.23

**Notes forming part of the consolidated financial statements**

₹ in Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Note 16 Trade receivables		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment #		
Secured, considered good	-	-
Unsecured, considered good	2,074.54	9,031.82
Doubtful	-	-
	2,074.54	9,031.82
Less: Provision for doubtful trade receivables	-	-
Total	2,074.54	9,031.82

Note: Trade Receivables - No dues from Directors, Officers of the Company, Firms in which any Director is a partner or any Private Limited Companies in which any Director is a Director

Note 17 Cash and cash equivalents

17.1 Cash on hand	57.66	49.86
17.2 Cheques, drafts on hand	-	-
17.3 Investments in Liquid funds	17,255.89	16,088.86
17.4 Balances with banks	-	-
17.4.1 In current accounts	113.22	6.17
17.4.2 In deposit accounts (Refer Note below)	53.61	1,019.00
Total	17,480.38	17,163.89

Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 - Cash Flow Statement is ₹ 17255.89 Lakhs. (As at 31st March 2019 ₹ 16088.86 Lakhs)

Note: Balances with banks include deposits amounting to ₹ 19.00 Lakhs as at 31st March 2020 which have an original maturity of more than 12 months. (As at 31st March 2019- ₹ 19.00 Lakhs)

Note 18 Short-term loans and advances

18.1 Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	189.00	196.58
Doubtful	-	-
	189.00	196.58
Less: Provision for doubtful loans and advances	-	-
	189.00	196.58
18.2 Prepaid expenses - Unsecured, considered good	141.96	139.16
18.3 Balances with government authorities - Unsecured, considered good		
18.3.1 CENVAT credit receivable		
18.3.2 GST credit receivable	2,214.48	3,865.34
18.4 Others		
Secured, considered good	-	5.99
Unsecured, considered good	11.01	12.52
Doubtful	-	-
	11.01	18.51
Less: Provision for other doubtful loans and advances	-	-
	11.01	18.51
Total	2,556.45	4,219.59

Note: Short-term loans and advances - No amount is due from any Directors, Other Officers of the Company, Firms in which any Director is a partner, Private Companies in which any Director is a Director

**Notes forming part of the consolidated financial statements**

₹ in Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Note 19 Other current assets		
19.1 Others	-	-
19.1.1 Insurance claims	2.82	63.61
Total	2.82	63.61
Note 20 Revenue from operations		
20.1 Sale of products	75,278.42	91,756.23
20.2 Other operating revenues	1,638.67	1,655.29
Total	76,917.09	93,411.52
20.1.1 Sale of products comprises		
<u>Manufactured goods</u>		
Steel Forgings	75,278.42	91,756.23
Total - Sale of products	75,278.42	91,756.23
20.2.1 Other operating revenues		
Power Generated	1,638.67	1,655.29
Total - Other operating revenues	1,638.67	1,655.29
Note 21 Other income		
21.1 Interest income from Bank Deposits	562.44	750.94
21.2 Dividend income: from long-term investments	1,059.82	770.45
21.3 Miscellaneous Income	234.48	64.56
Total	1,856.74	1,585.95
Note 22 Cost of materials consumed		
Opening stock	7,930.19	5,153.61
Add: Purchases	31,001.16	48,301.72
	38,931.35	21,035.50
Less: Closing stock	5,228.18	7,930.19
Cost of material consumed	33,703.17	13,105.31
Material consumed comprises: Raw material Steel Billets		
Note 23 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
<u>Inventories at the end of the year:</u>		
Work-in-progress Forgings	8,564.93	10,355.74
<u>Inventories at the beginning of the year:</u>		
Work-in-progress Forgings	10,355.74	6,560.57
Net (increase) / decrease	1,790.81	-3,795.17
Note 24 Employee benefits expense		
24.1 Salaries and wages	7,158.89	7,090.92
24.2 Managerial Remuneration	628.04	1,167.27
24.2 Contributions to provident and other funds	406.21	383.79
24.3 Staff Gratuity	33.30	36.24
24.4 Staff welfare expenses	684.41	715.48
Total	8,910.85	9,393.70
Note 25 Finance costs		
Interest expense on: Borrowings	3,829.79	3,158.32
Total	3,829.79	3,158.32

Notes forming part of the consolidated financial statements

₹ in Lakhs

Particulars	As at 31			
	March 2020	March 2019	March 2020	March 2019
Note 26 Other expenses				
26.1 Consumption of Stores			1,802.85	2,398.57
26.2 Consumption of Tools			2,245.34	2,718.19
26.3 Outside Labour			849.81	1,209.67
26.4 Power and fuel			7,323.43	8,185.48
26.5 Repairs and Maintenance				
26.5.1 Buildings	168.15	221.77		
26.5.2 Machinery	802.07	1,227.94		
26.5.3 Machinery Spares	1,054.46	1,628.55	2,024.68	3,078.26
26.6 Selling Expenses			1,004.07	1,228.18
26.6 Export Expenses				
26.7.1 Packing & Forwarding	655.09	836.44		
26.7.2 Freight	657.65	1,009.17		
26.7.3 Commission	421.86	602.56		
26.7.4 Warehousing Charges	569.58	501.91		
26.7.5 Others	112.32	143.92	2,416.50	3,094.00
26.8 Loss on fixed assets sold / scrapped / written off			0.00	0.00
26.9 Miscellaneous expenses			1,627.65	2,392.64
Total			19,294.33	24,304.99
Miscellaneous expenses includes payment to auditors comprising of :				
As auditors - statutory audit			19.50	19.01
For taxation matters			1.35	1.35
Reimbursement of Expenses / Service Tax			0.74	2.91
Total			21.59	23.27

Note 27 Additional information to the financial statements
Particulars

27.1 Contingent liabilities and commitments (to the extent not provided for)				
27.1.1 Contingent Liabilities - Foreign Bills Discounted with Bank			-	246.71

Note 28 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006
NIL
NIL
Note 29.1 and 29.2 refer standalone

Notes forming part of the consolidated financial statements

Particulars	As at 31 March 2020	As at 31 March 2019
29.3 The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:	Receivable/ (Payable)	Receivable/ (Payable)
Receivable/ (Payable) in Foreign Currency	NIL	NIL
	For the year ended 31 March 2020	For the year ended 31 March 2019
29.4 Value of imports calculated on CIF basis		
Raw materials	-	-
Consumable Stores / Tools	17.70	65.60
Machinery Spares	6.96	3.32
Capital goods	797.47	1,020.21
29.5 Expenditure in foreign currency		
Travelling	106.12	108.12
Export Expenses	1,102.51	740.54
Staff Training	4.00	0.05
29.6 Details of consumption of imported and indigenous items		
	31st Mar 2020	31st Mar 2019
<u>Imported</u>	₹ in Lakhs	₹ in Lakhs
Raw materials	-	-
Consumable Stores / Tools	17.70	65.60
Machinery Spares	6.96	3.32
	<u>24.66</u>	<u>68.92</u>
<u>Indigenous</u>		
Raw materials	33,703.17	45,525.14
Consumable Stores / Tools	4,030.49	5,051.16
Machinery Spares	1,047.50	1,625.23
	<u>38,781.16</u>	<u>52,201.53</u>
29.7 Earnings in foreign exchange		
Export of goods calculated on CIF basis	36,830.87	44,114.63
Note 30 Disclosures under Accounting Standards (contd.)		
30.1 Details of government grants	Nil	Nil
30.2 Details of borrowing costs capitalised		
Borrowing costs capitalised during the year		
- as fixed assets / intangible assets / capital work-in-progress	395.17	241.27
Note 31 Deferred Tax Liability		
Tax Effect of Items constituting the same:-		
on difference between book balance and tax balance of Fixed Assets	2,980.91	1,864.21

**Consolidated Cash Flow Statement for the year ended 31st March 2020**

(₹ in lakhs)

	For the year ended 31 March 2020	For the year ended 31 March 2019
A Cash Flow From Operating Activities		
Net Profit / (Loss) before extraordinary items and tax	5,310.78	10,605.51
<i>Adjustments for:</i>		
Depreciation and amortisation	5,955.57	5,807.39
(Profit) / Loss on sale / write off of assets	(21.47)	(2.41)
Finance costs	3,829.79	3,158.32
Interest income	(562.44)	(750.94)
Dividend income	(1,059.82)	(770.45)
	<u>8,141.63</u>	<u>7,441.91</u>
Operating Profit / (Loss) before working capital changes	13,452.41	18,047.42
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	6,107.99	(6,777.24)
Trade receivables	6,957.28	(2,775.20)
Short-term loans and advances	1,663.14	(1,177.37)
Long-term loans and advances	(617.11)	(4,004.66)
Other current assets	6.03	(56.08)
Other non-current assets	(1,254.34)	(374.51)
<i>Adjustments for increase/(decrease) in operating liabilities</i>		
Trade payables	2,109.36	(809.42)
Other current liabilities	1,778.03	1,682.22
Other long-term liabilities	(1,584.03)	1,533.00
	<u>15,166.35</u>	<u>(12,759.26)</u>
Cash generated from operations	28,618.76	5,288.16
Net income tax (paid) / refunds	914.42	2,588.31
Net cash flow from / (used in) operating activities (A)	<u>27,704.34</u>	<u>2,699.85</u>
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(9,683.76)	(31,522.98)
Proceeds from sale of fixed assets	275.63	2.41
Long Term Investments	0.00	(58.22)
Interest received	562.44	750.94
Dividend received	1,059.82	770.45
Bank Deposit having original maturity over three months	0.00	0.00
Net cash flow from / (used in) investing activities (B)	<u>(7,785.87)</u>	<u>(30,057.40)</u>
C. Cash flow from financing activities		
Proceeds from long-term borrowings(Net)	278.26	26,865.09
Repayment of long-term borrowings(Net)	(6,158.75)	0.00
Net increase / (decrease) in working capital borrowings	(7,764.80)	5,839.33
Repayment of other short-term borrowings	0.00	0.00
Finance cost	(3,829.79)	(3,158.32)
Interim Dividend / Tax on Dividend	(1,417.93)	(708.97)
Dividends paid	(603.52)	(603.52)
Tax on dividend	(105.45)	(97.91)
Net cash flow from / (used in) financing activities (C)	<u>(19,391.09)</u>	<u>28,135.70</u>
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	<u>316.49</u>	<u>778.15</u>
Cash and cash equivalents at the beginning of the year	17,163.90	16,429.49
Cash and cash equivalents at the end of the year	<u>17,480.39</u>	<u>17,207.65</u>
	<u>316.49</u>	<u>778.16</u>

In terms of our Report of even date

For GRNK & Co.
Chartered Accountants
FRN 016847S

N. Srinivasan
Chairman
(DIN : 00116726)

Vidyashankar Krishnan
Vice Chairman and
Managing Director
(DIN : 00081441)

K. Venkatramanan
Joint Managing Director
(DIN : 00823317)

G. R. Naresh Kumar
Proprietor
Membership no. 215577

V.Vaidyanathan
Director
(DIN : 00081792)

A. Gopalakrishnan
Director
(DIN : 06414546)

Kavitha Vijay
Director
(DIN : 01047261)

Place : Chennai
Date : 29.07.2020

J.Sumathi
Company Secretary

R.Venkatakrisnan
Chief Financial Officer

**Annexure****Form AOC-1****Statement containing salient features of the financial statement of Subsidiary****Part "A": Subsidiary**

(₹ in lakhs)

1	Sl.No	1
2	Name of the subsidiary	D V S INDUSTRIES PRIVATE LIMITED
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	N.A.
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.
5	Share capital	159.30
6	Reserves and surplus	(1,330.08)
7	Total assets	8,570.38
8	Total Liabilities	9,741.16
9	Investments	NIL
10	Turnover	4,187.96
11	Profit before taxation	(431.54)
12	Provision for taxation	NIL
13	Profit after taxation	(431.54)
14	Proposed Dividend	NIL
15	% of Shareholding	100%

Note

1. Names of subsidiaries which are yet to commence operations: NIL
2. Names of subsidiaries which have been liquidated or sold during the year: NIL

**Part B Associates and Joint Ventures**

Statement pursuant to Section 129(3) of the Companies Act, 2013, related to Associate Companies and Joint Ventures – **NOT APPLICABLE**

Name of Associates or Joint Ventures	Name1	Name2	Name3
1. Latest audited Balance Sheet Date			
2. Date on which the Associate or Joint Venture was associate or acquired			
3. Shares of Associate or Joint Ventures held by the company on the year end No. Amount of Investment in Associates or Joint Venture Extent of Holding (in percentage)			
4. Description of how there is significant influence			
5. Reason why the associate/joint venture is not consolidated			
6. Net worth attributable to shareholding as per latest audited Balance Sheet			
7. Profit or Loss for the year			
i. Considered in Consolidation			
ii. Not Considered in Consolidation			

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

In terms of our Report of even date

For GRNK & Co.
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FRN 016847S

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(DIN : 01047261)

Place : Chennai
Date : 29.07.2020

J.Sumathi
Company Secretary

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Chief Financial Officer

