



## **M M FORGINGS LIMITED**

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

**75<sup>th</sup> Annual Report**

**and**

**Accounts for the year ended 31.03.2021**



## Notice To Shareholder

**NOTICE** IS HEREBY GIVEN THAT THE **SEVENTY FIFTH ANNUAL GENERAL MEETING** OF M M FORGINGS LIMITED will be held on **Monday, 13 September 2021 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:
  - a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021, together with the Reports of the Board of Directors and the Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021, together with the Report of the Auditors thereon.
2. To appoint a director in place of Shri. Vidyashankar Krishnan, (holding DIN No. 00081441) 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 2021-22 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 authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

#### **4. APPOINTMENT OF SMT. SUMITA VIDYASHANKAR AS A NON-EXECUTIVE AND NON-INDEPENDENT DIRECTOR:**

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

“**RESOLVED THAT** pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be in force from time to time, Smt. Sumita Vidyashankar (DIN: 00059062) who is eligible for appointment and in respect of whom the Company has received a notice in writing along with requisite deposit from a member as required under Section 160(1) of the Companies Act, 2013 signifying its intention to propose her candidature for the office of Non-Executive and Non-Independent Director, be and is hereby appointed as director of the Company, who shall be liable to retire by rotation.

“**RESOLVED FURTHER** subject to the approval of shareholders and subject to the provisions of Companies Act, 2013, and other applicable provisions, if any (including any amendment thereto), Smt. Sumita Vidyashankar, be paid, in addition to the sitting fees for attending the meetings of Board or Committee thereof, a Commission from the net profit of the Company as may be decided by the Board from time to time.”

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all acts and take 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 : 13 August 2021

**J.SUMATHI**  
Company Secretary  
Membership No. 8621

**IMPORTANT NOTES:****Instructions for Shareholders attending the AGM through VC/OAVM are as under:**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. 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.
3. 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.
4. 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.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM.
6. 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](http://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](http://www.bseindia.com) and [www.nseindia.com](http://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](http://www.evotingindia.com).
7. **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.**
8. 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.
9. Date of Book closure for the purpose of Annual Closing : **Tuesday, 7 September 2021 to Monday, 13 September 2021.**
10. 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 ₹ 3,77,744/- on 29 June 2020 and transferred ₹ 2,42,811/- on 31 March 2021, pertaining to the interim dividend for the year



2013-14, 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 2014-2021, as on the date of the 74th Annual General Meeting (AGM) held on 29 September 2020 on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and on the Website of the Company, [www.mmforgings.com](http://www.mmforgings.com). Members who have not encashed their dividend, are advised to write to the Company to claim their dividend.

11. Shares transferred under IEPF account of the government (taken the basis of 2014 dividend unclaimed) :

There was One common shareholder who had not encashed the Dividend for Seven consecutive years. Hence those shares were transferred to IEPF on 31 March 2021. The details are available in the Company's website: <http://www.mmforgings.com>.

12. 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.
13. 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.
14. 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
15. Details under SEBI (LODR), in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice.
16. Electronic copy of the Annual Report for 2020-21 will be sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses with the company can get the same registered by a request letter by sending an email to [murali@cameoindia.com](mailto:murali@cameoindia.com) or [corporate@mmforgings.com](mailto:corporate@mmforgings.com). Please send a signed letter to the above mentioned email. Upon verification of the signature, the email will be registered with the company.
17. 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.

18. Profile of Directors

- 18.1 Details of Directors seeking re- appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]:

1. Name : Shri. Vidyashankar Krishnan
2. Date of Birth; 25 October 1965
3. Date of appointment: 21 April 1997.
4. Qualifications; BE, MS.
5. A brief resume and nature of expertise : Shri. Vidyashankar Krishnan ( DIN 00081441) is a Post Graduate in Engineering from I.I.T,Chennai. He has 33 years of experience. He has served in the Board since April 1997. In February 1999 he became the Managing Director. His accomplishments include major expansion at Viralimalai Plant, setting up of a new Plant near Chennai, setting up of Wind farm and also Company's foray into machined components. The Company has posted considerable growth under his stewardship. He has got vast experience in Manufacturing of Forgings, Finance Accounts, legal etc.
6. No. of shares held in the Company: 27,20,240.
7. List of directorships held in other Companies: Please refer Note No. 29 to Notes on Accounts.
8. No. of Board Meetings attended during FY21: Four out of Four.



9. Chairman/ Member in the Committees of the Boards of other companies in which he is Director: Not applicable.
10. Relationships between Directors inter-se: Shri. Vidyashankar Krishnan, Vice Chairman and Managing Director and Shri. K. Venkatramanan, Joint Managing Director are brothers.
11. Remuneration details : ₹ 298.61 Lakhs.

18.2 Details of Directors seeking appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]:

1. Name : Smt. Sumita Vidyashankar
2. Date of Birth: 01 March 1968
3. Nationality : Indian
4. Qualifications: B.Com., CA
5. Expertise in Specific functional Area: Accounts and Finance
6. No. of shares held in the Company: 32,800 shares
7. List of directorships held in other Companies: Synmax Consultants & Trading Private Limited and Sivasundar Private Limited.
8. Relationships between Directors inter-se: She is the wife of Shri. Vidyashankar Krishnan , Vice Chairman and Managing Director of the company.

**THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

- (i) **The voting period begins Friday, 10 September 2021 at 9.00 A.M. to Sunday, 12 September 2021 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 Monday, 06 September 2021 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).

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Share holders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"><li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li><li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL, so that the user can visit the e-Voting service providers' website directly.</li><li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li><li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li></ol>
Individual Share holders holding securities in demat mode with NSDL	<ol style="list-style-type: none"><li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li><li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li><li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under</li></ol>





	<p>‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
Individual Share holders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on “Shareholders” module.
  - 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.



- 6) If you are a first-time user follow the steps given below:

<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>	
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"><li>Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li></ul>
Dividend Bank Details <b>OR</b> 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"><li>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.</li></ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) 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 & enter the details as prompted by the system.
- (xvi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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 mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [corporate@mmforgings.com](mailto:corporate@mmforgings.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
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.
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 meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast 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 available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.



**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. 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/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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](mailto: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 21 June 2021, 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 2022.

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.

### **Item No. 4**

Smt. Sumita Vidyashankar has been appointed as an additional director with effect from 13 August 2021. The Company has received a notice in writing from a member signifying its intention to propose the candidature of Smt. Sumita Vidyashankar for the office of her Directorship in the Company under the provisions of Section 160 of the Act, 2013.

#### A brief profile of Smt. Sumita Vidyashankar :

Smt. Sumita Vidyashankar is professionally qualified. She is a Chartered Accountant.

She has a vast and varied experience in the field of Accounts and Finance.

Smt. Sumita Vidyashankar brings in a wealth of experience and financial acumen to the Company's Board .

Her expertise, integrity and relevant proficiency will bring tremendous value to the Board and to the Company as well.

#### Disclosure of Relationship between Directors, Managers and KMP of the Company:

She is the wife of Shri. Vidyashankar Krishnan , Vice Chairman and Managing Director of the company.

#### Other Directorship :

She holds directorship in the following Companies:

1. Synmax Consultants & Trading Private Limited
2. Sivasundar Private Limited

No. of shares held in the Company : 32,800 shares ( 0.14 %)

Having regard to her qualification, knowledge and experience her appointment as an Non Executive and Non Independent Director will be in the interest of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives except Smt. Sumita Vidyashankar is interested in this resolution and relatives of Smt. Sumita Vidyashankar may be deemed to be interested in this resolution, to the extent of their shareholding interest, in the Company.

The Board of Directors accordingly recommends the resolution set out at Item No. 4 of the accompanying Notice for the approval of the Members.

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

Place : Chennai  
Date : 13 August 2021

**J.SUMATHI**  
Company Secretary  
Membership No. 8621

## Contents

Page No.

1. Performance History - 10 years .....	03
2. Directors' Report .....	04
3. Annexure to Directors' Report .....	14
4. Report on Corporate Governance .....	17
5. Business Responsibility Report .....	31
6. Secretarial Audit Report .....	41
7. Auditors' Report .....	44
8. Balance Sheet .....	49
9. Profit and Loss Account .....	50
10. Notes forming part of the financial statements .....	51
11. Cash Flow Statement .....	66
12. Consolidated Financial Statements .....	68
13. Statement containing salient features of the financial statement of Subsidiary Company .....	90

## 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 - Viralmalai – 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 - A4 Industrial Area, Kursi Road,

Barabanki, District, 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 - Viralmalai - 621 316 Tamil Nadu

### **Bankers**

#### **State Bank of India**

2 Harrington Road, Chennai – 600031

#### **Citibank N.A**

163 Anna Salai, Chennai - 600002

#### **ICICI Bank**

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**

806 Anna Salai, Chennai - 600002

#### **HDFC Bank Ltd**

115 Dr. Radhakrishna Salai,

Mylapore, Chennai – 600 004

#### **Federal Bank**

61 Anna Salai, Chennai - 600002



## PERFORMANCE HISTORY

(₹ in lakhs)

DESCRIPTION / YEAR	FY21	FY20	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11
INCOME											
Sales - Exports	35,488.63	38,236.99	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
- Domestic	35,658.11	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
- Total	<b>71,146.74</b>	<b>71,090.46</b>	<b>88,736.91</b>	<b>60,091.09</b>	<b>46,042.66</b>	<b>48,905.81</b>	<b>48,950.32</b>	<b>40,073.91</b>	<b>35,023.65</b>	<b>34,381.96</b>	<b>26,589.18</b>
Other Operating Income	1,418.03	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

Other Income	2,159.21	1,851.14	1,586.71	1,229.28	1,126.77	541.24	241.28	315.88	51.29	735.93	985.88
<b>TOTAL INCOME</b>	<b>74,723.98</b>	<b>74,580.27</b>	<b>91,978.91</b>	<b>63,291.00</b>	<b>48,966.45</b>	<b>50,767.12</b>	<b>50,494.68</b>	<b>41,459.35</b>	<b>36,163.08</b>	<b>35,759.18</b>	<b>28,197.95</b>
Operating Profit	14,288.64	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
Profit After Tax	4,660.72	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
Earnings per share	19.31	25.02	33.70	56.76	35.97	41.50	41.88	24.29	20.26	22.17	24.61
Dividend	50%	50%	50%	100%	60%	60%	60%	40%	30%	30%	30%
Dividend including tax paid	1,455.09	1,417.93	1,410.40	1,402.86	841.72	841.72	841.72	561.14	420.85	420.85	422.25
Dividend as a % to PAT	31.2%	30.7%	17.3%	20.5%	19.4%	16.8%	16.7%	19.1%	17.2%	15.7%	14.2%
Share Capital	2,414.08	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
Reserves & Surplus	47,622.17	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
Return on Capital Employed	10.7%	11.8%	15.7%	16.9%	17.1%	22.7%	25.8%	22.5%	17.8%	19.3%	20.2%
Return on Net Worth	22.8%	25.0%	19.0%	17.1%	14.0%	17.6%	20.5%	14.5%	13.7%	17.7%	22.4%
Working Capital	23,502.49	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
W C as a % to sales	31.5%	21.0%	25.5%	27.3%	15.2%	18.1%	18.2%	24.7%	20.6%	20.4%	26.0%
Current Ratio	1.79	2.05	1.85	1.74	2.36	2.00	1.92	1.41	1.50	1.54	1.47
TOL / NW	1.45	1.36	1.76	1.25	0.82	0.87	0.93	0.87	1.05	1.17	1.19
Debt / Equity	0.76	0.87	1.04	0.57	0.47	0.43	0.41	0.25	0.41	0.53	0.43





## Director's Report

### 1. FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021

			(₹ in Lakhs)
	2020-21	2019-20	
1.1. Forging sales	71,146.74	71,090.46	
1.2 Profit before exceptional items/extraordinary items and Tax	5,493.05	5,741.88	
1.3 Exceptional/Extraordinary Items	0.03	0.44	
1.4 Profit Before Tax	5,493.08	5,742.32	
1.5 Tax			
For current year	725.00	818.12	
Relating to previous years	0.00	1.86	
Mat Credit Entitlement / adjusted	0.00	(818.12)	
Deferred Tax	107.36	832.36	1,116.70
<b>Profit after Tax</b>	<b>4,660.72</b>	<b>4,623.76</b>	

### 2. DIVIDEND AND FINANCIAL RESULTS (₹ IN LAKHS)

2.1 Profit after Tax	4,660.72	4623.76
2.2 Balance in P & L Account	115.54	309.74
2.3 Profit available for appropriation	4,776.28	4,933.50
2.4 Transfer to General Reserve	3,200.00	3,400.00
2.5 Interim Dividend paid	0.00	1,417.93
2.6 Proposed Dividend	1,455.09	0.00
2.7 Balance carried forward	121.17	115.56

The Directors declared 50% dividend ( ₹ 5/ per share ) of face value of ₹ 10 / each., in their meeting held on 21 June 2021.

The Directors do not recommend any final dividend for the year 2020-21.

### 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 has overall Revenue, which is above ₹ 700 crores.
- 4.2 The Company's PBT is ₹ 55 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 ₹ 338.66 crores.
- 4.5 The Company has retained its ISO 9001 and TS 16949 Certification for its Quality Management.
- 4.6 The exports sales is ₹ 354.89 Crores and the domestic sales stands at ₹ 356.58 Crores.
- 4.7. Although the pandemic affected the performance, the Company has retained 50% dividend for the year.

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

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	—	₹ 331.52 Crores (44.37 %)
Personnel	—	₹ 76.49 Crores (10.24 %)

**7. MANAGEMENT DISCUSSION AND ANALYSIS :****Economic Overview - Global**

It is one year since COVID-19 was declared as a global pandemic, a year of tremendous loss of lives and livelihoods. Adaptation to life with pandemic induced restriction has enabled the global economy to do reasonably well despite overall subdued mobility, leading to a stronger-than-anticipated rebound, on average, across regions.

	2020	2021*	2022*
World output	-3.3	6.0	4.4
Advanced economies	-4.7	5.1	3.6
Emerging Markets	-2.2	6.7	5.0

\*Projection || Source: World economic outlook || IMF

After an estimated contraction of 3.3% in 2020, the global economy is projected to grow 6% in 2021, moderating to 4.4% in 2022. The contraction for 2020 is 110 basis points lesser than the projected in October 2020 World Economic Outlook, reflecting higher than the expected growth outruns in the second half of 2020 for most regions after lockdowns were eased.

The projections for 2021 and 2022 are 0.8% points stronger than in the previous forecast, reflecting additional fiscal support in a few large economies and the anticipated vaccine-powered recovery in the second half of the year. This pace reflects continued adaptation of all sectors of the economy to the challenging health situation.

Beyond 2022, global growth is projected to moderate to 3.3% in the medium term. The near-term outlook for global manufacturing remains positive, as evidenced in the February global manufacturing purchasing managers' index indicators, which point to a continuing expansion, though at a slower pace. While the near term recovery could be tempered by the resurgence of COVID-19 cases in several major economies, evidenced from social distancing measures in the late 2020 and early 2021 in Europe and United Kingdom suggests a relatively limited impact on manufacturing activity.

After the near-term, widespread availability of vaccines and near-normalization of economic activity, together with continued policy support, should help fuel the manufacturing recovery. Further normalization of global capital expenditure will be an important source of demand for manufacturing.

**Management Discussion and Analysis****Economic Overview – India**

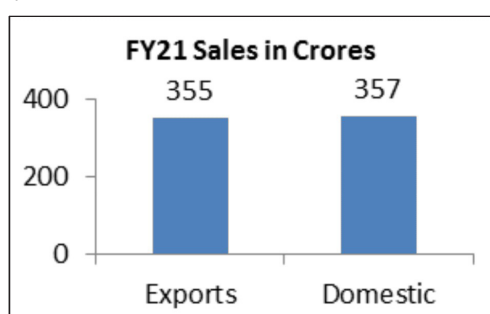
India is one of the few countries, which went into total lockdown when COVID-19 was declared as a pandemic in end March 2020. This affected the GDP of the nation as a whole from April through September 2020.

The phased un-locking of the economy, with government intervention eased manufacturing and supply chains. Though the growth is expected to be muted through the year, there are definite signs of the economy starting to revive.

The second wave of the pandemic has pulled down the momentum and the current outlook for the year is definitely better than the previous year. The recovery cycle is expected to pick up from the second of half of FY21-22 and reach stable levels in the year FY22-23 and may moderate from FY23-24 onwards. The IMF has upwardly revised the growth forecast to 9.5% for FY22 and 8.5% for FY23.

India's GDP, which shrink from \$2.87 trillion in FY20 to \$2.66 trillion in the following year, is estimated to reach around \$4 trillion in FY25.

The second half of the COVID-struck financial year FY21 saw an unprecedented rally in domestic steel prices which seems unstoppable even in the current fiscal FY22. Steel prices have increased 15% higher yoy.

**Overall Outlook:**

COVID-19 is expected to play a crucial role in the near term, with exports stabilizing at the same levels as in Q4 of FY21 and Domestic demand to pick up in Q3 and Q4 of FY22. Overall, the outlook is positive for FY22 with significant growth in domestic sales in FY2

**Management Discussion and Analysis****Market segments outlook: Key segment analysis: Commercial Vehicles (CV)**

The CV segment plays a significant role of MMF with sales of 75%. Passenger car segment constitutes 18% and others 7%.

CV segment is poised to witness a robust turnaround domestically as well as in North America and Europe. US class 8 truck sales recorded significant numbers in Calendar Year 2018 (325,000) and 2019 (345,000). This led to a dismal sales in 2020 with the onset of the pandemic. In 2021 the market is expected to be back to 250,000 levels.

European market has witnessed consistent demand through the years in excess of 300,000+ HCV for the last 3 calendar years. This is expected to perform at these levels till 2025 with overall growth forecast of the economies at European region at around 4.4% in 2021, moderating at 3.8% for 2022.

In India, MHCV production which peaked in FY19 at 444,000 vehicles has tapered to 234,000 vehicles in FY20 and 181,000 in FY21. The outlook going into FY22 is muted in the first quarter, with indications of demand pick up during the second half of FY22. The near-term outlook though is positive, due to the pent up demand which is due to lower sales in the previous 8 quarters. With forecast of economy growth near double digits, we expect demand to stabilize in 2<sup>nd</sup> half of FY22 with significant growth in FY23.

**Currency movement: [USD vs INR]**

INR currently at ₹ 74.50 vs USD is expected to remain consistent through 2022 at the same levels.

**Management Discussion and Analysis****M M FORGINGS – Achievements in FY21**

Despite the second wave of pandemic, the following were achieved during **FY21**

1. Domestic sales : ₹ 357 crore
2. Export sales : ₹ 355 crore
3. Total sales : ₹ 712 crore
4. Overall sales around : ₹ 747 crore
5. Production tonnage : 48,000 Tons
6. Changes in steel prices which are in line with international markets are generally being passed on to customers as is the industry practice.
7. We are focusing on capacity utilization, to take advantage of the production capacities created in the last 4 years.



8. Key financial ratios :

Debtors Turnover	: 138 days
Inventory Turnover	: 4.04
Interest Coverage Ratio	: 3.88
Current Ratio	: 1.79
Debt Equity Ratio	: 0.76
Operating Profit Margin (%)	: 7.35%
Net Profit Margin (%)	: 6.24%

As highlighted in the Directors' Report, Return on Net Worth is 8.96% and Return on Capital Employed is 10.74%. Total Outside Liabilities to Net Worth stands at 1.45.

**Management Discussion and Analysis**

**Human Resources and Industrial Relations**

1. Our company continues to focus on the development of its human resources to improve its performance.
2. As on 31<sup>st</sup> Mar 2021, the company currently has approximately 3968 employees. It is their invaluable contribution that has primarily resulted in our company's position of strength in the industry.
3. 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, characterize the HR development of the Company.
4. Every year, each plant of the Company celebrates 'Founder's Day' in a family atmosphere with all employees and their household members. Fortunately these were completed well before the onset of Covid in end March 2020.

**Health, Safety and Environment**

1. 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.
2. The Company ensures compliance with all pollution control regulations. Adequate pollution control equipment's have been installed to treat effluents and to control air pollution.

**Management Discussion and Analysis**

**Risk Management**

1. 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.
2. 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.
3. 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.
4. Risk Management Committee (RMC) has been formed w.e.f 21Jun21.
5. RMC shall meet twice a year.
6. The responsibilities of RMC includes formulating risk management policy, implementation of the policy, monitor, evaluate risks, device appropriate methodology, processes and systems.

**M M FORGINGS – forging ahead with Manufacturing Excellence**

Our goals in the coming months:

- ❖ Focus on improving sales in keeping with market conditions.



- ❖ Utilizing the production capacity of 1,20,000 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
3. SIAM data

8. **TRANSFER TO RESERVE**

Transfer to General Reserve - ₹ 32 Crores

9. **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The company has made advance to the tune of ₹ 82.98 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.

11. **RETIRE BY ROTATION**

Shri. Vidyashankar Krishnan 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.

The Company has formed Risk Management Committee, which consist of majority of Board Members.

14. **RELATED PARTY TRANSACTION**

The Company has formulated a policy on related party transactions and the same is uploaded on the Company's website,

[https://www.mmforgings.com/uploads/policies/Policy\\_on\\_Related\\_Party\\_Transactions1.pdf](https://www.mmforgings.com/uploads/policies/Policy_on_Related_Party_Transactions1.pdf)

There were no Related Party transactions during the financial year 2020-21 as per 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.

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 as per Accounting Standards, refer Annexure 3, under the head 'Related Party 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 F21 - ₹ 165.27 lakhs

Amount spent in F21 - ₹ 166.03 lakhs

Excess spent for F21 - ₹ 0.76 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, which analyzes the criteria for determining qualifications, positive attributes and independence of a Director.

The said Policy is provided in Company's website link

[www.mmforgings.com/uploads/policies/Nomination\\_and\\_Remuneration\\_Policy\\_\(amended\).pdf](http://www.mmforgings.com/uploads/policies/Nomination_and_Remuneration_Policy_(amended).pdf)

**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	2.40 : 1
Shri A.Gopalakrishnan	1.80 : 1
Smt Kavitha Vijay	1.80 : 1
Shri Vidyashankar Krishnan	179.22 : 1
Shri Venkataramanan K	178.87 : 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	91.67%
Shri Vaidyanathan V	-1.56%
Shri Gopalakrishnan A	9.56%
Smt Kavitha Vijay	3.55%
Shri Vidyashankar Krishnan	-3.40%
Shri K. Venkatramanan	-3.52%
Smt J.Sumathi	-9.76%
Shri R. Venkatakrishnan	-3.09%

**18.3 Percentage increase in median remuneration of employees is 64.60% in the financial year 2020-21.****18.4 The number of permanent employees on the rolls of Company : 2203.****18.5 Explanation of relationship between average increase in remuneration and company performance :**

PAT - ( last year) - ₹ 4,623.76 Lakhs; PAT - ( this year) - ₹ 4,660.72 Lakhs.

Increase 0.80% against which, the average increase in remuneration is - 30.5%.

**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	2,98,61,556	48.08	4,660.72	0.80
J.Sumathi	Company Secretary	9,91,719	12.62		
R.Venkatakrishnan	CFO	15,42,284	3.69		

**18.7 Variation in market cap/net worth of company:**

Date	Paid up Capital (Shares)	Closing market Price per share in ₹	EPS	PE Ratio	Market Capitalisation ₹ in Crores
31.03.2020	24,140,800	166.00	19.15	8.67	400.74
31.03.2021	24,140,800	495.00	19.31	25.63	1,194.97





- 18.8 Justification of increase in managerial remuneration with that of increase in remuneration of other employees.

Average Increase in Remuneration for employees other than Directors and KMP is - 30.50%.  
Average Increase in Remuneration for KMP and Senior Management is - 3.50%.

- 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 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 31.03.2020 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 2021 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

[https://www.mmforgings.com/uploads/policies/Whistle\\_Blower\\_Policy2.pdf](https://www.mmforgings.com/uploads/policies/Whistle_Blower_Policy2.pdf)

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**

In accordance with the Companies Act, 2013, the annual return in the prescribed format is available at [https://www.mmforgings.com/uploads/general\\_share/Annual\\_Return4.pdf](https://www.mmforgings.com/uploads/general_share/Annual_Return4.pdf)

**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 17 November 2020.
3. The Board subsequently evaluated performance of the Board, the Committees and Independent Directors (without participation of the relevant Director)
4.
  1. 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.
  2. Previous year's observations and actions taken - NIL
  3. 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  
[https://www.mmforgings.com/uploads/Familiarisation\\_programme/Familiarization\\_programme.pdf](https://www.mmforgings.com/uploads/Familiarisation_programme/Familiarization_programme.pdf)

**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 Section 204 of the Companies Act, 2013 and Rules thereunder, the Company has appointed V.Shankar, Practicing Company Secretary (C.P. No. 12974) as the Secretarial Auditor for the financial year 2021-22.

**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 2021-22

**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 turn-over of ₹ 56.94 Crores in FY 2021) 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

The company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.



**38 COVID 19**

- The Company's operations were hit substantially for the first 2 Quarters, due to intermittent lock down restrictions.
- Gradually, the lockdown was lifted and manufacturing operations were established through well-rehearsed safety protocols during 3<sup>rd</sup> and 4<sup>th</sup> Quarter.
- Corporate Office was shut down during lock down, but the Company adopted Work From Home policy during the entire duration of the lockdown.
- 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 and Smt. Kavitha Vijay have passed the self assessment test conducted by the Ministry of Corporate Affairs.

**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 : 21 June 2021

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 2021.

### **(A) CONSERVATION OF ENERGY:**

1. Energy conservation methods undertaken:
  - 1.1 Conservation of energy is a continuous process. We have spent around ₹ 50 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 206.79 lakh units from its Wind and 27.48 lakh units from Solar farms equivalent to approximately 19085 tons of CO<sub>2</sub> from Wind and 2536 tons of CO<sub>2</sub> from Solar, totalling a saving of 21621 tons of CO<sub>2</sub> 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.

		2020-21	2019-20
1	ELECTRICITY		
	a. Purchased:		
	Units	7,00,06,283	7,09,27,786
	Total Amount (₹)	57,91,22,635	59,65,94,807
	Rate / Unit (₹)	8.27	8.41
	b. Own Generation:		
	Units	1,63,235	1,88,555
	Units per ltr	3.06	4.44
	Cost / Unit (₹)	25.76	15.68
2	FUEL OIL		
	Quantity (in ltrs)	19,09,468	24,02,420
	Total amount (₹)	11,70,92,448	11,50,86,016
	Average Rate (₹/ltr.)	61.32	47.90
3	CONSUMPTION PER UNIT OF PRODUCTION		
	a. Electricity	1,471	1,557
	b. Fuel Oil	40	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 &amp; 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 ₹ 35,488.62 lakhs form a significant part of the company's turnover (₹ 38,236.89 lakhs in 2019-20)
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: ₹ 3,54,88,62,309 (₹ 3,82,36,99,023 in 2019-20)  a. Used: ₹ 43,70,74,607 (₹ 59,57,74,991 in 2019-20)

For and On behalf of the Board

Place : Chennai  
Date : 21 June 2021

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 31.03.2021)

Sl. Name No	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	2,98,61,556	B.E.,M.S.	31	25.06.1990	55	Nil	11.27%
2 Shri. K.Venkatramanan DIN : 00823317	Jt. Managing Director	2,98,03,876	B.E.	29	24.01.1992	51	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.

Place : Chennai  
Date : 21 June 2021

For and On behalf of the Board

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 2021 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	4	Yes
Shri. V. Vaidyanathan	4	4	Yes
Shri. Vidyashankar Krishnan	4	4	Yes
Shri. K. Venkatramanan	4	4	Yes
Shri. A. Gopalakrishnan	4	4	Yes
Smt. Kavitha Vijay	4	4	Yes

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- 29 July 2020, 29 September 2020, 11 November 2020 and 08 February 2021.

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, 2021. 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

[www.mmforgings.com/uploads/CODE\\_OF\\_CONDUCT\\_FOR\\_DIRECTORS\\_AND\\_SENIOR\\_MANAGEMENT.pdf](http://www.mmforgings.com/uploads/CODE_OF_CONDUCT_FOR_DIRECTORS_AND_SENIOR_MANAGEMENT.pdf)

**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:**

[https://www.mmforgings.com/uploads/Familiarisation\\_programme/Familiarization\\_programme.pdf](https://www.mmforgings.com/uploads/Familiarisation_programme/Familiarization_programme.pdf)

**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 Meeting:**

During the year under review, the Committee had 4 meetings held as follows:

29 July 2020, 29 September 2020, 11 November 2020 and 08 February 2021.

**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	4
Shri. V. Vaidyanathan	4	4
Shri. Vidyashankar Krishnan	4	4
Shri. A Gopalakrishnan	4	4
Smt. Kavitha Vijay	4	4

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 3 meetings held as follows:  
29 July 2020, 11 November 2020 and 08 February 2021.

**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)	3	3
Shri. Vidyashankar Krishnan	3	3
Shri. K. Venkatramanan	3	3
Shri. A. Gopalakrishnan	3	3
Smt. Kavitha Vijay	3	3

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

4.3.5 No. of Investor complaints received and redressed during FY 2021 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing balance
0	1	1	0

4.3.6 For Redressal of Investor complaints, complaints can be mailed to [sumathi@mmforgings.com](mailto: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 there were 4 meetings.

**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 3 meetings held as follows:  
29 July 2020, 11 November 2020 and 08 February 2021

**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)	3	3
Shri. V Vaidyanathan	3	3
Shri. K Venkatramanan	3	3
Shri. A Gopalakrishnan	3	3

**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 <https://www.mmforgings.com/uploads/policies/CSR.pdf>

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 : ₹ 82.64 Crores.

6.4.4 Prescribed CSR expenditure (2% of the amount as in item no. 3 above) : ₹ 165.27 Lakhs for F21.

6.4.5 Details of CSR spent during the financial year :

6.4.5.1 Total amount spent for the financial year : ₹ 166.03 Lakhs

6.4.5.2 Amount unspent if any : NIL

6.4.5.3 Excess spent: ₹ 0.76 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	16.00	15.55	15.55	Direct
2	Education	Education	Maharashtra Tamil Nadu	12.00	11.70	27.25	Direct
3	Combating Diseases	Health	Delhi Karnataka Tamil Nadu	17.00	16.25	43.50	Direct
4	Social Business Projects	Social Business	Tamil Nadu	121.50	121.03	164.53	Direct
5	Gender equality & Empower Women	-	Tamil Nadu	2.00	1.50	166.03	Direct
TOTAL				168.50	166.03	166.03	

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:

[www.mmforgings.com/uploads/policies/Nomination\\_and\\_Remuneration\\_Policy\\_\(amended\).pdf](http://www.mmforgings.com/uploads/policies/Nomination_and_Remuneration_Policy_(amended).pdf)

**7.2 Date of Meetings:**

During the year under review, the Committee had 3 meetings held as follows:

29 July 2020, 11 November 2020 and 08 February 2021.

**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	3	3
Shri. N Srinivasan	3	3
Shri. A. Gopalakrishnan	3	3
Smt. Kavitha Vijay	3	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 3 meetings held as follows:

29 July 2020, 11 November 2020 and 08 February 2021.

**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 Risk Management Committee:**

9.1 Scope: Risk management policy attempts to identify and manage threats that could severely impact or bring down the organization. Generally, this involves reviewing operations of the organization, identifying potential threats to the organization and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats.

9.2 Pursuant to the amendment made by SEBI, Risk Management Committee was formed with effect from 21 June 2021.

**9.3 Composition:**

The Risk Management Committee was formed with majority of members of the Board of Directors: Shri. Vidyashankar Krishnan (Chairman),  
Other Members: Shri. K. Venkatramanan, Shri. A. Gopalakrishnan, Smt. Kavitha Vijay, Shri. N. Ramnath, Shri. M.N. Rajesekaran and Shri. K. Ramkumar.

**10 Directors' Remuneration:**

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

	Shri. Vidyashankar Krishnan		Shri. K. Venkatramanan	
	2021	2020	2021	2020
Salary	2,05,37,500	1,85,50,000	2,05,37,500	1,85,50,000
Commission	55,00,000	89,00,000	55,00,000	89,00,000
Perquisites - PF	14,38,895	13,13,424	14,38,895	13,13,424
Superannuation	17,43,749	15,75,000	17,43,749	15,75,000
Gratuity	4,76,623	4,30,500	4,76,623	4,30,500
Others	1,64,789	1,44,667	1,07,109	1,21,051
Total	2,98,61,556	3,09,13,591	2,98,03,876	3,08,89,975

10.2 Remuneration of Non – Executive Directors:

		Commission in ₹	Sitting Fees in ₹	Total in ₹
Shri. N. Srinivasan	2019-20	-	30,000	30,000
	2020-21	-	57,500	57,500
Shri. V.Vaidyanathan	2019-20	4,00,000	80,000	4,80,000
	2020-21	4,00,000	72,500	4,72,500
Shri. A Gopalakrishnan	2019-20	3,00,000	40,000	3,40,000
	2020-21	3,00,000	72,500	3,72,500
Smt. Kavitha Vijay	2019-20	3,00,000	52,500	3,52,500
	2020-21	3,00,000	65,000	3,65,000

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

10.3 All pecuniary relationship of Non Executive Directors : Nil

10.4 Criteria of making payments to Non Executive Directors:

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

**11 Subsidiary Company**

11.1 DVS Industries Private Limited is a 100% subsidiary company

**12. Dividend Distribution Policy:**

The Board approved Dividend distribution Policy is hosted in company website and the link : [https://www.mmforgings.com/uploads/policies/Dividend\\_Distribution\\_Policy.pdf](https://www.mmforgings.com/uploads/policies/Dividend_Distribution_Policy.pdf)

**13 General Meetings:**

13.1 Location and time, where last three AGMs held:

Financial year	Date	Time	Location
2017-18	11 July 2018	11.30 A.M.	The Music Academy, Chennai
2018-19	29 Aug 2019	11.30 A.M.	The Music Academy, Chennai
2019-20	29 Sept 2020	12.30 P.M.	Video Conferencing, Chennai
2020-21	13 Sept 2021	12.30 P.M.	Video Conferencing, Chennai

14 Special Resolutions passed in the previous 3 AGMs:





- 14.1
- 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.

15 **Disclosures:**

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

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

15.3 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 2021.

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

15.4 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.

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

15.6 Disclosures regarding appointment or reappointment of Director:

15.6.1 This year Shri. Vidyashankar Krishnan, Managing Director of the Company, shall retire and being eligible, offer himself for reappointment.

Given below is the brief resume of the Director:

Shri. Vidyashankar Krishnan ( DIN 00081441) is a Post Graduate in Engineering from I.I.T, Chennai. He has 33 years of experience. He has served in the Board since April 1997. In February 1999 he became the Managing Director. His accomplishments include major expansion at Viralmalai Plant, setting up of a new Plant near Chennai, setting up of Wind farm and also Company's foray into machined components. The Company has posted considerable growth under his stewardship. He has got vast experience in Manufacturing of Forgings, Finance Accounts, legal etc.

Disclosure of relationships between directors inter-se: Shri. Vidyashankar Krishnan, Vice Chairman and Managing Director and Shri. K. Venkatramanan, Joint Managing Director are brothers.

Names of other listed entities in which the person also holds the directorship and the membership of Committees of the board: Not Applicable.

15.6.2 Smt. Sumita Vidyashankar has been appointed as an additional director with effect from 13 August 2021.

The Board also recommends the appointment of Smt. Sumita Vidyashankar as a Non-Independent, Non- Executive Director in this Annual General Meeting.

Brief resume of the Director: Sumita Vidyashankar is a qualified Chartered Accountant.

Nature of expertise in specific functional areas: Accounts and Finance.

Disclosure of relationships between Directors inter-se: She is the wife of Shri. Vidyashankar Krishnan, Vice Chairman and Managing Director of the company.

Names of other listed entities in which the person also holds the directorship and the membership of Committees of the board : Not applicable.

Shareholding of Non-Executive Directors in the listed entity, including shareholders as a beneficial owner:



Shareholding : 32,800 shares. ( 0.14 %)

Beneficial owner in Synmax Consultants & Trading Private Limited.

(Synmax Consultants & Trading Private Limited holds 57,96,000 shares ( 24.01% ))

15.7 Related party Disclosure:

15.7.1 Disclosure in compliance with the Accounting Standards: Refer note 29 under notes of accounts 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 ₹ 82.98 Crores to its Subsidiary Company, DVS Industries Private Limited, repayable at prevailing rates.

15.7.2 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

16 **Means of Communication**

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

16.2 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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

16.3 The financial result, official news releases and presentation made to Institutional Investors are displayed on the website of the Company [https://www.mmforgings.com/Investors/annual\\_financial](https://www.mmforgings.com/Investors/annual_financial)

17 **General Shareholders Information :**

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

Annual General Meeting is proposed to be held

Financial year :01 April 2020 to 31 March 2021

17.2 Record date and book closure during the year :

23 September 2020 to 29 September 2020 ( Annual Closing)

17.3 Listing on Stock Exchanges :

The shares of the Company are listed at:

17.3.1 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.

17.3.2 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.

17.4 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

17.4.1 The ISIN No. of the Company's equity shares in Demat form : INE227C01017.

17.4.2 Depository Connectivity : National Securities Depository Limited, Central Depository Services (India) Limited.

17.5 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.

17.6 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.

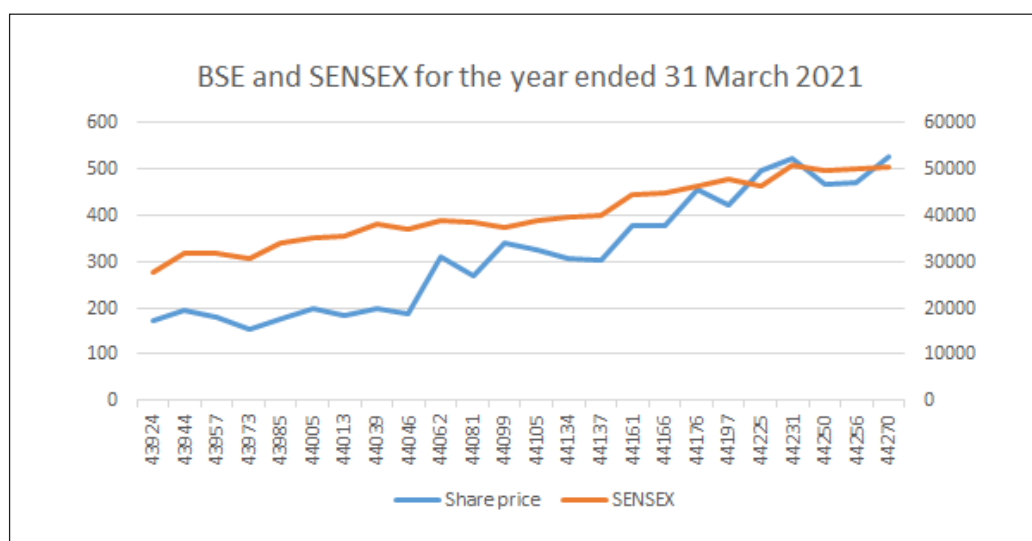
17.7 Pattern of shareholding as on 31 March 2021 :

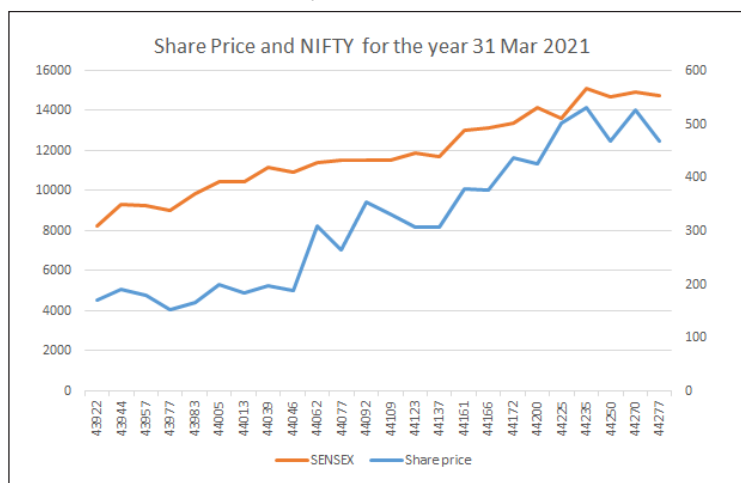
No. of equity shares held	No. of shareholders	% to total	No. of shares held	% of shareholding
1-500	8261	86.99	6,42,125	2.66
501-1000	722	7.60	5,60,757	2.32
1001-2000	241	2.54	3,74,116	1.55
2001-3000	60	0.63	1,56,626	0.65
3001-4000	41	0.43	1,51,261	0.63
4001-5000	22	0.23	1,04,280	0.43
5001-10000	53	0.56	3,83,200	1.59
10001 & above	97	1.02	2,17,68,435	90.17
<b>TOTAL</b>	<b>9497</b>	<b>100.00</b>	<b>2,41,40,800</b>	<b>100.00</b>

17.8 Shareholding pattern as on 31 March 2021 :

Category	No. of Share-holders	% to total	No. of shares held	% of share-holding
Resident Indians	9079	95.60	47,97,232	19.86
FII	1	0.01	100	0
Financial Institutions/ Banks	0	0	0	0
NRIs	277	2.92	1,66,978	0.69
Domestic Company	90	0.95	2,77,414	1.15
Trust	1	0.01	800	0
Mutual Funds	32	0.34	50,15,615	20.78
FPI	4	0.04	2,15,347	0.89
Alternative Inv Fund	1	0.01	65,000	0.27
IEPF	1	0.01	2,419	0.01
Promoters	11	0.11	1,35,99,895	56.34
<b>Total</b>	<b>9,497</b>	<b>100.00</b>	<b>2,41,40,800</b>	<b>100.00</b>

17.9 Share Performance BSE vs SENSEX




**17.10 Share Performance NSE vs Nifty**

**17.11 Share price data**

Month	Bombay Stock Exchange		National Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-20	195	173	191	170
May-20	180	152	179	153
June-20	198	175	198	165
July-20	197	182	197	184
Aug-20	309	187	309	187
Sept-20	341	270	354	265
Oct-20	325	306	330	307
Nov-20	378	304	378	306
Dec-20	454	376	436	377
Jan-21	497	420	501	425
Feb-21	522	467	530	467
Mar-21	525	469	527	468

**17.12 Dematerialisation of shares:**

2,37,44,830 Shares (98.36%) dematerialized as on 31 March 2021.  
Promoters: 1,35,99,895 (56.34%); Public: 1,01,44,935 (42.02%).

**17.13 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.

**17.14 Outstanding GDRs / ADRs / Warrants or any convertible instruments, etc.**

As on 31 March 2021 the company has not issued these types of securities.

**17.15 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 - A4 Industrial Area, Kursi Road, Barabanki, District, 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

**17.16 Address for correspondence :**

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

Email: [mmforge@mmforgings.com](mailto:mmforge@mmforgings.com)

**17.17 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 (A One)	Revised from CARE A1+(A One Plus)
Long term/Short-term Bank Facilities	182.00	CARE A; Stable/CARE A1 (Single A; Outlook: Stable/ A One)	Revised from CARE A+; Negative/ CARE A1+ (Single A Plus; Outlook: Negative/ A One Plus)
<b>Total</b>	<b>756.53 (Rupees Seven hundred fifty six crore and fifty three lakhs only)</b>		

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

17.19 Exclusive Email id for redress of Investor Complaints : [corporate@mmforgings.com](mailto:corporate@mmforgings.com)

17.20 Website : [www.mmforgings.com](http://www.mmforgings.com)

17.21 Details of Bonus shares unclaimed:

17.21.1 Details of Bonus shares in the suspense account :

No. of shareholders at the beginning of the year – 132.

No. of outstanding shares at the beginning of the year – 44,500 shares.

No. of shares Credited to suspense account ( Bonus issue - unclaimed shares ) – 35,000. shares pertaining to 113 shareholders.

No. of shareholders who approached the issuer for transfer of these shares during the year - 0.

No. of shareholders to whom shares were transferred – 0.

No. of shares transferred during the year – 0.

No. of shareholders at the end of the year –245.

No. of outstanding shares at the end of the year – 79,500 shares.

18 Shares Transferred to IEPF account of the Government:

18.1 Shares transferred under IEPF account of the government (taken the basis of 2012 dividend unclaimed) – Common shareholder shares were transferred to IEPF account during the year.

18.2 The list of shareholders, whose shares have been transferred to IEPF account ( for the earlier years), is available at the Company's website  
[https://www.mmforgings.com/uploads/IEPF/TOS\\_IEPF\\_Rule1.pdf](https://www.mmforgings.com/uploads/IEPF/TOS_IEPF_Rule1.pdf)

19 Other Disclosures:

19.1 Disclosures under materially significant related party transactions that may have potential conflict with the interests of the company : None

19.2 Details of Non Compliance, Penalties, Strictures imposed on any matter connected with Capital market, during the last three years: Nil

19.3 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.

19.4 All mandatory requirements have been disclosed and some non mandatory requirements have been adopted.

19.5 Policy for determining material subsidiary is disclosed in Company's website [https://www.mmforgings.com/uploads/policies/Policy\\_on\\_Material\\_Subsidiaries1.pdf](https://www.mmforgings.com/uploads/policies/Policy_on_Material_Subsidiaries1.pdf)

19.6 Policy for determining Related Party Transaction is disclosed in Company's website [https://www.mmforgings.com/uploads/policies/Policy\\_on\\_Related\\_Party\\_Transactions1.pdf](https://www.mmforgings.com/uploads/policies/Policy_on_Related_Party_Transactions1.pdf)

19.7 Commodity price risk and hedging activities : No hedging activities have been undertaken for commodity risk.

19.8 The Company has duly fulfilled the following discretionary requirements as described in Schedule II Part E of the SEBI Listing Regulations:

19.9 The Company has separate persons to the post of Chairperson and CEO (Clause D)

19.10 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.

20 Total fees for all services, paid by the Company and its subsidiary company on a consolidated basis to the statutory auditor: ₹ 19.06 lakhs

For and On behalf of the Board

Place : Chennai

Date : 21 June 2021

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 31<sup>st</sup> March 2021, 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 : 21 June 2021

**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 31<sup>st</sup> March 2021 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 31<sup>st</sup> March, 2021 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 : 21 June 2021

**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 2021.

For and On behalf of the Board

Place : Chennai  
Date : 21 June 2021

N. Srinivasan  
*Chairman*  
(DIN : 00116726)



**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 : 21 June 2021

**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 <sup>th</sup> Floor, Industrial Estate, Guindy, Chennai - 600032		
4.	Website	www.mmforgings.com		
5.	Email Id	corporate@mmforgings.com		
6.	Financial Year reported	2020-21		
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	<b>Registered Office</b> 'SVK Towers' A25, 8th Floor, Industrial Estate, Guindy, Chennai - 600 032. Manufacturing locations: <b>Factories</b> 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)  <b>Plant 5 - Windfarms</b> W1 - Panakudi - 627109 TN. W2 - Theni District - 625 531 TN. W3 - Tenkasi - 627 811 TN. W4 - Kallapalayam 641 201 TN.  <b>Plant 6 - Solar sites</b> S1 - Aruppukottai - 626105 TN. S2 - Viralimalai - 621 316 TN.		
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	₹ 74,723.99 as on 31 March 2021
3.	Total profit after taxes	₹ 4660.75
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)	₹ 166.03
5.	List of activities in which expenditure in 4 above has been incurred	<ol style="list-style-type: none"> <li>1) Chief Minister's distress relief fund for COVID-19.</li> <li>2) Contribution towards medical during COVID-19.</li> <li>3) Free distribution of food packets during COVID-19.</li> <li>4) Women's welfare.</li> <li>5) Combating disease.</li> <li>6) Animal Welfare.</li> <li>7) Cleaning of already renovated lake.</li> </ol>


**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.	<b>Details of Director/ s responsible for BR:</b> 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 Company's website: <a href="https://www.mmforgings.com">https://www.mmforgings.com</a>								
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
10	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
11	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: <a href="https://www.mmforgings.com/Investors/annual_financial">https://www.mmforgings.com/Investors/annual_financial</a>

**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><b>a. Light-weight &amp; load reduce program(FAB):</b> 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 by using high end FEA tools without affecting performance characteristics of Front Axle Beam. Both Design is validated for stress and deflection levels and stress and deflection levels of optimized design are within acceptance limit.</p> <p>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 forging press, which are produced using 12000T forging press by others.</p> <p><b>b. Crankshaft innovation program:</b> '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 is used to validate for better material filling and to reduce underfilling. Crankshaft balancing is achieved with very less number of drilling holes, forging quality and machinability was good resulting into less wastage of material.</p>
---	--	--



	<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	<p>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.</p>	<p>The company supplier selection, assesment, evaluation process include elements of sustainability. This includes supplier survey, continous risk assessments and audits. Also there is communication to suppliers on MMF sustainability requirements</p>
4	<p>Has the company taken any steps to procure goods and services from local &amp; 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 factories 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 inputs received from vendors by deploying our standard quality systems in their plant as well. Steps were taken to :</p> <p>1) Providing training &amp; new MMF requirements communications through supplier meet.</p> <p>2) Evaluate periodically the action taken by the Critical Suppliers to improve themselves.</p> <p>3) Develop quality management systems to Vendors and thereby improving the product quality, reducing the wastages and sustainable development.</p> <p>4) Provide technical help to vendors for up-gradation of their equipment which has helped in enhancing the capacity and capability.</p>
5	<p>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>	<p>Yes The Company has mechanism to recycle products</p> <p>1) Company is sending 100 % forging flash 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) Monitoring and reduction of waste.</p>


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

1	Please indicate the Total number of employees.	3968		
2	Please indicate the Total number of employees hired on temporary/ contractual/casual basis	1765		
3	Please indicate the Number of permanent women	8		
4	Please indicate the Number of permanent employees with disabilities	8		
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	68%	
		(b) Permanent Women Employees	60%	
		(c) Casual/ Temporary/ Contractual Employees	70%	
		(d) Employees with Disabilities	75%	





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 &amp; 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: <a href="https://www.mmforgings.com">https://www.mmforgings.com</a></p>



3	Does the company identify and assess potential environmental risks? Y/N	Yes, Environmental risks are covered in the Company's principles that are based on IATF-16949 standards. Every unit or plant implements the following:  (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?	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.
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.	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: <a href="https://www.mmforgings.com">https://www.mmforgings.com</a>
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	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.
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:	1) Association of Indian forging industry ( AIFI) 2) Confederation of Indian Industry (CII) 3) Indian Society for Non Destructive Testing (ISNT) 4) Engineering Export Promotion Council ( EEPC India) 5) National Institute for Quality and Reliability (NIQR).
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)	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 :- 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. Viralimalai temple – Renovation under progress</p> <p><b>2.Promotion of education</b></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 vacation for elementary school, Ezhilchur has been organized from padappai to sriperumbudur</p> <p>iii. Planning to renovate library and lunch hall for Govt boys high school, Padappai</p> <p><b>3.Environment Sustenance</b></p> <p>i.Environmental 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><b>4.Women Empowerment</b></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?	<p>Yes, we have undertaken the impact assessment for most of our projects</p> <p>i. Water storage capacities have been increased where we have done lake renovation work.Where lake water has been maintained which helps to the most during summer (assurance of water)</p>
4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	During the year, the company has spent for cleaning the already renovated lake.
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	YES

**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>:- 27 customer complaints were received during the above period and 25 complaints have been closed as on 01 Mar 2021. Remedial actions have been taken for the remaining 2 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>:- 26 customer complaints were received during the above period and 25 complaints have been closed as on 01 Mar 2021.</p>
---	---	---



		Remedial actions have been taken for the remaining 1 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"> <li>(i) Customer satisfaction survey once / 6 months</li> <li>(ii) Collection of customer issued score cards / performance reports as per the customer defined frequency</li> <li>(iii) Conference calls with customers</li> <li>(iv) Visits to customer sites / offices</li> <li>(v) Supplier meets</li> </ul> <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 FINANCIAL YEAR ENDED 31.03.2021**

***[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**

**MM FORGINGS LIMITED**

**'SVK Towers', A25, 8th FLOOR, 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 **MM 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, 2021, 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 **MM Forgings Limited** ("the Company") for the financial year ended on 31st March, 2021 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 2020-21 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 had reappointed the Cost Auditor for the financial year 2021-22, 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 : 21 June 2021**

**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  
MM 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 : 21 June 2021**

**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](http://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 31<sup>st</sup> March, 2021 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 : 21 June 2021**





## **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, 2021** 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, 2021** 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 thereunder, 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 Second Wave of 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, 2021** 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 : 21/06/2021

G.R. Naresh Kumar  
Sole Proprietor  
Membership No.215577  
UDIN: 21215577AAAADI3830

**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 **31.03.2021**:

We report that

1.
  - 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.
2.
  - 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.
3. According to the information and explanations furnished to us, apart from the Loan of **Rs. 8298.49 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.
4. 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.
5. 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.
6. 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.
7.
  - 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..
8. 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.
9. The Company has not raised any money by way of initial public offer or other public offer. The Company has repaid / availed the following term loans / Working Capital facilities from Banks:

Net Long Term Borrowings Repaid	₹ 3737.97 Lakhs
Net Short Term Borrowings Availed	₹ 7838.23 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. 3009.17 Lakhs as against reduction in Term Loan of Rs. 3737.97 Lakhs. Further, as against Working Capital Borrowings of Rs. 7838.23 Lakhs during the Year, the application for Short Term uses is at Rs. 10919.59 Lakhs.

10. 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.
11. 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.
12. The Company is Not a Nidhi Company. Accordingly, para 3 (xii) of The Order is not applicable to the Company.
13. 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.
14. 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.
15. 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.
16. No registration is required under Section 45 IA of The Reserve Bank of India Act.

For G R N K & Co  
Chartered Accountants  
FRN: 016847S

Place : Tiruchirapalli  
Date : 21.06.2021

PROPRIETOR  
Membership No. 215577

#### **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<sup>st</sup> March 2021** 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<sup>st</sup> March 2021**, 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  
FRN: 016847S

Place : Tiruchirapalli  
Date : 21.06.2021

PROPRIETOR  
Membership No. 215577

**Balance Sheet as at 31st March, 2021**

(₹ in lakhs)

	Note No.	As at March 2021	As at March 2020
<b>A EQUITY AND LIABILITIES</b>			
1 <b>Shareholders' funds</b>			
1.1 Share capital	3	2,414.08	2,414.08
1.2 Reserves and surplus	4	47,622.10	44,416.47
		50,036.18	46,830.55
2 <b>Non-current liabilities</b>			
2.1 Long-term borrowings	5	29,732.09	33,470.00
2.2 Deferred tax liabilities (net)		3,088.27	2,980.91
2.3 Other long-term liabilities	6	304.81	291.50
		33,125.17	36,742.41
3 <b>Current liabilities</b>			
3.1 Short-term borrowings	7	23,502.49	15,664.26
3.2 Trade payables	8	9,799.06	7,174.13
3.3 Other current liabilities	9	8,379.99	7,548.38
3.4 Short-term provisions	10	1,455.09	-
		43,136.63	30,386.77
<b>TOTAL</b>		<b>1,26,297.98</b>	<b>1,13,959.73</b>
<b>B ASSETS</b>			
1 <b>Non-current Assets</b>			
1.1 Fixed Assets			
1.1.1 Tangible Assets	11	61,751.19	65,290.57
1.1.2 Capital work-in-progress		1,746.77	871.47
		63,497.96	66,162.04
1.2 Non-current investments	12	488.44	488.44
1.3 Long-term loans and advances	13	10,052.00	11,147.47
1.4 Other non-current assets	14	1,668.51	2,039.67
		12,208.95	13,675.58
2 <b>Current Assets</b>			
2.1 Inventories	15	16,859.66	13,072.58
2.2 Trade receivables	16	12,166.58	1,246.22
2.3 Cash and cash equivalents	17	18,602.48	17,337.59
2.3.1 Restricted Bank Accounts		103.65	98.52
2.4 Short-term loans and advances	18	2,858.70	2,364.36
2.5 Other current assets	19	-	2.82
		50,591.07	34,122.09
		<b>1,26,297.98</b>	<b>1,13,959.73</b>

**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 : 21.06.2021

**J.Sumathi**  
Company Secretary

**R.Venkatakrishnan**  
Chief Financial Officer



**Profit and Loss account for the year ended 31st March, 2021**

(₹ in lakhs)

	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations Net of Excise Duty	20	72,564.77	72,729.13
2 Other income	21	2,159.18	1,850.70
3 <b>Total revenue (1+2)</b>		<b>74,723.95</b>	<b>74,579.83</b>
4 <b>Expenses</b>			
4.1 Cost of materials consumed	22	33,152.49	31,871.32
4.2 Changes in inventories of Finished Goods / Work-In-Process	23	1,541.84	1,527.88
4.3 Employee benefits expense	24	7,649.65	8,268.26
4.4 Finance costs	25	3,122.28	3,305.18
4.5 Depreciation and amortisation Expenses	11.3	5,673.25	5,322.76
4.6 Other expenses	26	18,091.39	18,542.55
<b>Total expenses</b>		<b>69,230.90</b>	<b>68,837.95</b>
5 <b>Profit / (Loss) before exceptional and extraordinary items</b>		5,493.05	5,741.88
6 <b>Exceptional items</b>			
<b>Profit on Sale of Business Asset</b>		-	-
Profit on Sale of Other Assets		0.03	0.44
7 <b>Profit / (Loss) before extraordinary items and tax (5 + 6)</b>		5,493.08	5,742.32
8 <b>Extraordinary items</b>			
9 <b>Profit / (Loss) before tax (7 + 8)</b>		5,493.08	5,742.32
10 <b>Tax expense:</b>			
10.1 Current tax expense for current year		725.00	818.12
10.2 Tax expense relating to prior years		-	1.86
10.3 Net current tax expense		725.00	819.98
10.4 Mat Credit adjusted		-	-818.12
10.5 Deferred tax Liability /(Asset)		107.36	1116.70
		832.36	1,118.56
11 <b>Profit / (Loss) from continuing operations (9 + 10)</b>		4,660.72	4,623.76
<b>B DISCONTINUING OPERATIONS</b>			
12 <b>Profit / (Loss) from discontinuing operations</b>		-	-
<b>C TOTAL OPERATIONS</b>		4,660.72	4,623.76
13 <b>Profit / (Loss) for the year (11 + 12)</b>		4,660.72	4,623.76
14 <b>Earnings per share (of Rs. 10 /- each):</b>			
14.1 Basic		19.31	19.15
14.1.1 Continuing operations		19.31	19.15
14.1.2 Total operations			
14.2 Diluted			
14.2.1 Continuing operations		19.31	19.15
14.2.2 Total operations		19.31	19.15

**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 : 21.06.2021

**J.Sumathi**  
Company Secretary

**R.Venkatakrishnan**  
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, 2013. 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 Equipments 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:

<b>Particulars</b>	
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 recognition**Sale 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 translations**Initial 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 ₹ 757.08 Lakhs (Last Year ₹ 853.33 Lakhs).

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 2021 Number of shares	₹ in Lakhs	As at 31 March 2020 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	2,414.08	24,140,800	2,414.08

(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	Closing Balance
Equity shares with voting rights				
Year ended 31 March, 2021				
- Number of shares	24,140,800	-	-	24,140,800
- Amount ₹ in lakhs	2,414.08	-	-	2,414.08
Year ended 31 March, 2020				
- Number of shares	24,140,800	-	-	24,140,800
- Amount ₹ in lakhs	2,414.08	-	-	2,414.08

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

Class of Shares	As at 31 March 2021 Number of shares held	% holding in that class of shares	As at 31 March 2020 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 2021	As at 31 March 2020
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		As at 31 March 2021	As at 31 March 2020
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	43,991.33	40,591.33
	Add : Transferred from surplus in Statement of Profit and Loss	3,200.00	3,400.00
	Less : Utilised / transferred during the year for: Interim Dividend / Dividend Tax		
	Closing balance	47,191.33	43,991.33
4.4	Surplus / (Deficit) in Statement of Profit and Loss		
	Opening balance	115.54	309.73
	Add : Profit for the year	4,660.72	4,623.76
	Less : Interim dividend	0.00	1,417.93
	Dividends proposed to be distributed to equity shareholders Rs. 5 per share)	1,207.04	0.00
	Tax on dividend	248.05	0.00
	Transferred to: General Reserve	3,200.00	3,400.00
	Closing balance	121.17	115.54
	<b>Total</b>	<b>47,622.10</b>	<b>44,416.47</b>

**Note 5 Long-term borrowings**

Term Loans From Banks		
Secured	29,732.09	33,470.00
Unsecured	-	-
<b>Total</b>	<b>29,732.09</b>	<b>33,470.00</b>

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 2021		As at 31 March 2020	
		Secured	Unsecured	Secured	Unsecured
<u>Term loans from banks:</u>					
Bank	Citi Bank	-		53.83	
	DBS - Loan	7,455.75		8,282.54	
	SBI (Formerly SBT)	2,072.86		2,888.79	
	SBI	731.60		1,507.20	
	HDFC	10,510.93		9,500.00	
	Federal	4,388.34		4,625.00	
	ICICI	12,848.95		14,062.50	
Total - Term loans from banks		38,008.43		40,919.86	
Less: Amounts due within 12 Months		8,276.34		7,449.86	
Total - Term loans from banks		29,732.09		33,470.00	

5.2 Terms of Security / Repayment

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



Particulars	₹ in Lakhs	₹ in Lakhs
5.3 Instalments Payable		TOTAL
2021 - 22		8,276.34
2022 - 23		7,129.80
2023 - 24		6,835.94
2024 - 25		6,835.94
2025 - 26		4,735.20
2026- 27		2,232.14
2027- 28		1,963.07
Total		38,008.43

\* 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 March 2021	₹ in Lakhs As at 31 March 2020
6.1 Trade Payables	-	-
Others than acceptances		
6.2 Rental Advance Received	229.35	229.35
Advance from Customers	75.46	62.15
<b>Total</b>	<b>304.81</b>	<b>291.50</b>

**Note 7 Short-term borrowings**

7.1 Loans repayable on demand from Banks		
Secured	21,283.37	15,357.39
Unsecured	2,219.12	306.87
<b>Total</b>	<b>23,502.49</b>	<b>15,664.26</b>

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

	Nature of Security		
Loans repayable on demand from Banks	Hypothecation of Inventory/	23,502.49	15,664.26
Total - from banks	Book Debts	<b>23,502.49</b>	<b>15,664.26</b>
No Default in the Servicing of the facility availed.	Rate of Interest 6.96%		

**Note 8 Trade payables**

Trade Payables - Other than Acceptances	9,799.06	7,174.13
<b>Total</b>	<b>9,799.06</b>	<b>7,174.13</b>

**Note 9 Other current liabilities**

9.1 Current maturities of long-term debt - Secured	8,276.34	7,449.86
9.2 Unpaid dividends	103.65	98.52
<b>Total</b>	<b>8,379.99</b>	<b>7,548.38</b>

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

₹ in Lakhs

**Note 10 Short Term Provisions**

10.1 Provision for tax (net of advance tax )	-	-
(As At 31 Mar 2021 ₹ 6,40,00,000)		
(As At 31 Mar 2020 ₹ 8,18,12,284)		
10.2 Provision for proposed equity dividend	1,207.04	-
10.3 Provision for tax on proposed dividend	248.05	-
<b>Total</b>	<b>1,455.09</b>	<b>-</b>





## 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, 2020	Additions	Disposals	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31 March, 2021
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
11.1.1 Land	6217.27	96.90					6314.17
11.1.2 Buildings	13882.51	432.74					14315.25
11.1.3 Plant and Equipment	92283.11	1491.19		-96.25	133.43		93811.48
11.1.4 Furniture and Fixtures	222.59	0.00					222.59
11.1.5 Vehicles	611.17	28.81	0.46				639.52
11.1.6 Office equipment	1791.83	47.05					1838.88
<b>Total</b>	115008.48	2096.69	0.46	-96.25	133.43	0.00	117141.89
<b>Previous year</b>	103212.36	10986.87	11.51	425.59	395.17	0.00	115008.48

All the Assers are Free Hold and None of them are Lease Hold or held for others use.

#### Note 11 Fixed Assets (contd.)

11.2 Tangible Assets	Accumulated depreciation and impairment				Net Block	
	Balance as at 1 April, 2020	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Other adjustment	Balance as at 31 March, 2021	Balance as at 1 April, 2020
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
11.1.1 Land	0.00	0.00	0.00	0.00	6314.17	6217.27
11.2.2 Buildings	2475.00	467.81	0.00	0.00	11372.44	11407.51
11.2.3 Plant and Equipment	44992.31	5117.93	0.00	0.00	43701.24	47290.80
11.2.4 Furniture and Fixtures	215.68	6.91	0.00	0.00	222.59	6.91
11.2.5 Vehicles	449.31	34.56	0.46	0.00	483.41	161.86
11.2.6 Office equipment	1816.54	46.04	0.00	0.00	1631.65	206.22
<b>Total</b>	49717.91	5673.25	0.46	0.00	55390.70	65290.57
<b>Previous year</b>	44406.63	5322.76	11.48	0.00	49717.91	58805.73

**11.3 Depreciation and amortisation relating to continuing operations:**

Particulars	For the year ended	
	31 March, 2021 ₹ in Lakhs	31 March, 2020 ₹ in Lakhs
Depreciation and amortisation for the year on tangible assets as per Note 12 A	5,673.25	5,322.76
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	5,673.25	5,322.76

**Note 12 Non-current investments**

Particulars	As at 31 March, 2021			As at 31 March, 2020		
	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	474.34	488.44
- Fully Paid						
<b>Total - Other investments (12.2)</b>	14.10	474.34	488.44	14.10	474.34	488.44
Less: Provision for diminution in value of investments			-			-
<b>Total</b>			<b>488.44</b>			<b>488.44</b>
Aggregate amount of quoted investments			14.10			14.10
Aggregate market value of listed and quoted investments			24.33			22.79



Particulars	As at 31 March 2021	As at 31 March 2020
<b>Note 13 Long-term loans and advances</b>		
13.1 Security deposits	-	-
Secured, considered good	-	-
Unsecured, considered good	678.03	910.51
Doubtful	-	-
	678.03	910.51
Less: Provision for doubtful deposits	-	-
	678.03	910.51
13.2 Advance Income Tax	151.69	246.62
13.3 Mat Credit Available	923.79	1,008.79
13.4 Balances with government authorities		
Unsecured, considered good	-	-
13.4.1 DVS Industries (P) Limited	8,298.49	8,981.55
<b>Total</b>	<b>10,052.00</b>	<b>11,147.47</b>

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	2.97	1,079.39
14.1.2 Work-in-progress - Steel Forgings	432.35	138.20
14.1.3 Stores & Spares	302.04	470.82
14.1.4 Consumable Tools	-	0.26
<b>Total</b>	<b>737.36</b>	<b>1,688.67</b>
14.2 Other Assets		
14.2.1 Sundry Debtors	191.00	118.35
14.2.2 Advance to Suppliers	740.15	232.65
<b>Total</b>	<b>1,668.51</b>	<b>2,039.67</b>

**Note 15 Inventories**

(At lower of cost and net realisable value)

15.1 Raw materials	9,815.61	4,023.48
15.2 Work-in-progress - Steel Forgings	6,298.90	8,134.89
15.3 Stores and spares	398.25	459.55
15.4 Consumable Tools	346.90	454.66
<b>Total</b>	<b>16,859.66</b>	<b>13,072.58</b>



₹ in Lakhs

**Particulars****As at 31  
March 2021**      **As at 31  
March 2020****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	12,166.58	1,246.22
Doubtful	-	-
Total	12,166.58	1,246.22
Less: Provision for doubtful trade receivables	-	-
<b>Total</b>	<b>12,166.58</b>	<b>1,246.22</b>

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	3.07	3.16
17.2 Cheques, drafts on hand	-	-
17.3 Investments in Liquid funds	18,539.58	17,255.89
17.4 Balances with banks		
17.4.1 In current accounts	9.97	29.63
17.4.2 In deposit accounts (Refer Note below)	49.86	48.91
<b>Total</b>	<b>18,602.48</b>	<b>17,337.59</b>

Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 - Cash Flow Statement is ₹ 18602.48 Lakhs. (As at 31st March 2020 ₹ 17337.59 Lakhs)

**Note:** Balances with banks include deposits amounting to ₹ 19.00 Lakhs as at 31st March 2021 which have an original maturity of more than 12 months. (As at 31st March 2020- ₹ 19.00 Lakhs)

**Note 18 Short-term loans and advances**

18.1 Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	212.75	186.90
Doubtful	-	-
	212.75	186.90
Less: Provision for doubtful loans and advances	-	-
	212.75	186.90
18.2 Prepaid expenses - Unsecured, considered good	125.13	141.96
18.3 Balances with government authorities - Unsecured, considered good		
18.3.1 GST credit receivable	2,519.56	2,024.49
18.4 Others		
Secured, considered good	-	-
Unsecured, considered good	1.26	11.01
Doubtful	-	-
	1.26	11.01
Less: Provision for other doubtful loans and advances	-	-
	1.26	11.01
<b>Total</b>	<b>2,858.70</b>	<b>2,364.36</b>

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 2021	As at 31 March 2020
<b>Note 19 Other current assets</b>		
19.1 Others	-	-
19.1.1 Insurance claims	-	2.82
<b>Total</b>	-	<b>2.82</b>
<b>Note 20 Revenue from operations</b>		
20.1 Sale of products	71,146.74	71,090.46
20.2 Other operating revenues	1,418.03	1,638.67
<b>Total</b>	<b>72,564.77</b>	<b>72,729.13</b>
20.1.1 Sale of products comprises		
<u>Manufactured goods</u>		
Steel Forgings	71,146.74	71,090.46
<b>Total - Sale of products</b>	<b>71,146.74</b>	<b>71,090.46</b>
20.2.1 Other operating revenues		
Power Generated	1,418.03	1,638.67
<b>Total - Other operating revenues</b>	<b>1,418.03</b>	<b>1,638.67</b>
<b>Note 21 Other income</b>		
21.1 Interest income from Bank Deposits	443.18	556.55
21.2 Dividend income: from long-term investments	1,357.55	1,059.82
21.3 Miscellaneous Income	358.45	234.33
<b>Total</b>	<b>2,159.18</b>	<b>1,850.70</b>
<b>Note 22 Cost of materials consumed</b>		
Opening stock	5,102.87	7,766.43
Add: Purchases	37,868.20	29,207.76
	<b>42,971.07</b>	<b>36,974.19</b>
Less: Closing stock	9,818.58	5,102.87
<b>Cost of material consumed</b>	<b>33,152.49</b>	<b>31,871.32</b>
Material consumed comprises: Raw material Steel Billets		
<b>Note 23 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
<u>Inventories at the end of the year:</u>		
Work-in-progress Forgings	6,731.25	8,273.09
<u>Inventories at the beginning of the year:</u>		
Work-in-progress Forgings	8,273.09	9,800.97
<b>Net (increase) / decrease</b>	<b>1,541.84</b>	<b>1,527.88</b>
<b>Note 24 Employee benefits expense</b>		
24.1 Salaries and wages	6,213.60	6,552.08
24.2 Managerial Remuneration	606.65	628.04
24.2 Contributions to provident and other funds	330.07	388.06
24.3 Staff Gratuity	31.48	31.40
24.4 Staff welfare expenses	467.85	668.68
<b>Total</b>	<b>7,649.65</b>	<b>8,268.26</b>
<b>Note 25 Finance costs</b>		
Interest expense on: Borrowings	3,122.28	3,305.18
<b>Total</b>	<b>3,122.28</b>	<b>3,305.18</b>


**₹ in Lakhs**

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
<b>Note 26 Other expenses</b>				
26.1 Consumption of Stores			1,613.75	1,720.78
26.2 Consumption of Tools			2,132.40	2,076.07
26.3 Outside Labour			644.29	815.51
26.4 Power and fuel			6,961.19	7,116.81
26.5 Repairs and Maintenance				
26.5.1 Buildings	87.88	157.49		
26.5.2 Machinery	692.81	749.48		
26.5.3 Machinery Spares	815.14	994.04	1,595.83	1,901.01
26.6 Selling Expenses			1,162.01	966.34
26.6 Export Expenses				
26.7.1 Packing & Forwarding	638.09	655.09		
26.7.2 Freight	1,905.64	657.65		
26.7.3 Commission	-	421.86		
26.7.4 Warehousing Charges	152.25	569.58		
26.7.5 Others	78.26	112.32	2,774.24	2,416.50
26.8 Loss on fixed assets sold / scrapped / written off			-	-
26.9 Miscellaneous expenses			1,207.68	1,529.53
<b>Total</b>			<b>18,091.39</b>	<b>18,542.55</b>
Miscellaneous expenses includes payment to auditors comprising of :				
As auditors - statutory audit			13.21	15.15
For taxation matters			1.50	1.35
Reimbursement of Expenses / Service Tax			-	0.74
<b>Total</b>			<b>14.71</b>	<b>17.24</b>

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

Particulars		
27.1 <b>Contingent liabilities and commitments (to the extent not provided for)</b>		
27.1.1 Contingent Liabilities - Foreign Bills Discounted with Bank	587.24	-

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


**Particulars**
**As at 31 March 2021**      **As at 31 March 2020**
**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
<b>Shri N. Srinivasan</b> Anna Investments Private Ltd  Coromandel Electric Co. Ltd Coromandel Sugars Ltd E.W.Stevens & Co. Private Ltd EWS Finance & Invst P Ltd ICL Financial Services P Ltd ICL Securities Ltd Prince Holdings (Madras) P Ltd Rupa Holdings P Ltd Thambi Investments Private Ltd The India Cements Limited  Chelsea Holdings and Properties Ltd, UK	Chairman  Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Vice Chairman & Managing Director Director	The India Cements Ltd.	Stakeholders Relationship Committee	Member
<b>Shri V. Vaidyanathan</b> Medical Research Foundation- Sankara Nethralaya Vision Research Foundation	Board Member Board Member			
<b>Shri A.Gopalakrishnan</b> Directorship in Other Companies	NIL			
<b>Smt Kavitha Vijay</b> A.V.Thomas & Co Ltd Wolters Kluwer ELM Solutions (P) Ltd AVT Natural Products Ltd Unversal Legal	Director Director Director Parter			
<b>Shri Vidyashankar Krishnan</b> Association of Indian Forging Industry Synmax Consultants & Trading Private Limited Baylife Medicare Private Ltd Unique Technologies Adi Sankara Trust	Managing Committee  Director Director Partner Director			
<b>Shri Venkatramanan Krishnan</b> 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	₹ 29,861,556	Kavitha Vijay	₹ 365,000
K. Venkatramanan	₹ 29,803,876	S. Subramanian	₹ 2,868,043
V. Vaidyanathan	₹ 472,500	Advance to DVS Industries (P) Limited - Subsidiary	₹ 68,305,969
N. Srinivasan	₹ 57,500		
A. Gopalakrishnan	₹ 372,500		





Particulars		As at 31 March 2021	As at 31 March 2020
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)
	<b>Receivable/ (Payable) in Foreign Currency</b>	<b>NIL</b>	<b>NIL</b>
		<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
29.4	<b>Value of imports calculated on CIF basis</b>		
	Raw materials	5.01	-
	Consumable Stores / Tools	19.00	17.70
	Machinery Spares	5.88	4.67
	Capital goods	389.47	797.47
29.5	<b>Expenditure in foreign currency</b>		
	Travelling	92.48	106.12
	Export Expenses	719.86	1,102.51
	Staff Training	12.39	4.00
29.6	<b>Details of consumption of imported and indigenous items</b>		
		<b>31st Mar 2021</b>	<b>31st Mar 2020</b>
	<u>Imported</u>	<b>₹ in Lakhs</b>	<b>₹ in Lakhs</b>
		<b>%</b>	<b>%</b>
	Raw materials	5.01	-
		0.02%	0.00%
	Consumable Stores / Tools	19.00	17.70
		0.51%	0.47%
	Machinery Spares	5.88	4.67
		0.72%	0.47%
		<b>29.89</b>	<b>22.37</b>
	<u>Indigenous</u>		
	Raw materials	33,147.48	31,871.32
		99.98%	100.00%
	Consumable Stores / Tools	3,727.15	3,779.15
		99.49%	99.53%
	Machinery Spares	809.26	989.37
		99.28%	99.53%
		<b>37,683.89</b>	<b>36,639.84</b>
29.7	<b>Earnings in foreign exchange</b>		
	Export of goods calculated on CIF basis	34,578.25	36,830.87
<b>Note 30 Disclosures under Accounting Standards (contd.)</b>			
30.1	<b>Details of government grants</b>	Nil	Nil
30.2	<b>Details of borrowing costs capitalised</b>		
	Borrowing costs capitalised during the year		
	- as fixed assets / intangible assets / capital work-in-progress	133.43	395.17
	- as inventory	-	-
<b>Note 31 Deferred Tax Liability</b>			
	Tax Effect of Items constituting the same:-		
	on difference between book balance and tax balance of Fixed Assets	3,088.27	2,980.91

**Cash Flow Statement for the year ended 31st March 2021**

(₹ in lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A. Cash Flow From Operating Activities</b>		
Net Profit / (Loss) before extraordinary items and tax	5,493.08	5,742.31
<i>Adjustments for:</i>		
Depreciation and amortisation	5,673.25	5,322.76
(Profit) / Loss on sale / write off of assets	(0.03)	(0.44)
Finance costs	3,122.28	3,305.18
Interest income	(443.18)	(556.55)
Dividend income	(1,357.55)	(1,059.82)
	6,994.77	7,011.13
Operating Profit / (Loss) before working capital changes	12,487.85	12,753.44
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(3,787.07)	5,905.50
Trade receivables	(10,920.36)	6,679.07
Short-term loans and advances	(494.34)	1,522.54
Long-term loans and advances	232.48	(47.69)
Other current assets	(2.30)	6.03
Other non-current assets	371.16	(1,169.72)
<i>Adjustments for increase/(decrease) in operating liabilities</i>		
Trade payables	2,835.82	2,403.52
Other current liabilities	831.61	1,778.03
Other long-term liabilities	13.31	(1,586.81)
	(10,919.69)	15,490.47
Cash generated from operations	1,568.16	28,243.91
Net income tax (paid) / refunds	(545.11)	(943.35)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>1,023.05</b>	<b>27,300.56</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(3,009.17)	(8,759.76)
Proceeds from sale of fixed assets	0.03	0.47
Long Term Investments	-	-
Interest received	443.18	556.55
Dividend received	1,357.55	1,059.82
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(1,208.41)</b>	<b>(7,142.92)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from long-term borrowings( Net)	2,000.00	-
Repayment of long-term borrowings(Net)	(5,737.97)	(6,158.75)
Advance to Subsidiary Company	683.06	(576.59)
Increase / (decrease) in working capital borrowings	7,838.23	(7,764.80)
Repayment of other short-term borrowings	-	-
Finance cost	(3,122.28)	(3,305.18)
Interim Dividend / Tax on Dividend	-	(1,417.93)
Dividends paid	-	(603.52)
Tax on dividend	(210.89)	(105.45)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>1,450.15</b>	<b>(19,932.22)</b>
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>1,264.79</b>	<b>225.42</b>
Cash and cash equivalents at the beginning of the year	17,337.59	17,112.17
Cash and cash equivalents at the end of the year	18,602.38	17,337.59
	<b>1,264.79</b>	<b>225.42</b>

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)

---

Consolidated  
Financial Statement 2020-21

---



## **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, 2021** 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 Second wave of 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, 2021** 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 : 21/06/2021

G.R. Naresh Kumar  
Sole Proprietor  
Membership No.215577  
UDIN:21215577AAAADH6487

**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 **31.03.2021**:

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. 8298.49 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 repaid / availed the following term loans / Working Capital facilities from Banks:

Net Long Term Borrowings Repaid	₹ 3737.97 Lakhs
Net Short Term Borrowings Availed	₹ 7838.23 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. 3009.17 Lakhs as against reduction in Term Loan of Rs. 3737.97 Lakhs. Further, as against Working Capital Borrowings of Rs. 7838.23 Lakhs during the Year, the application for Short Term uses is at Rs. 10919.59 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  
FRN: 016847S

Place : Tiruchirapalli  
Date : 21.06.2021

PROPRIETOR  
Membership No. 215577

#### **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<sup>st</sup> March 2021** 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<sup>st</sup> March 2021**, 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  
FRN: 016847S

Place : Tiruchirapalli  
Date : 21.06.2021

PROPRIETOR  
Membership No. 215577

**Consolidated Balance Sheet as at 31st March, 2021**

(₹ in lakhs)

	Note No.	As at March 2021	As at March 2020
<b>A EQUITY AND LIABILITIES</b>			
1 <b>Shareholders' funds</b>			
1.1 Share capital	3	2,414.08	2,414.08
1.2 Reserves and surplus	4	46,301.98	43,086.38
		<u>48,716.06</u>	<u>45,500.46</u>
2 <b>Non-current liabilities</b>			
2.1 Long-term borrowings	5	29,732.09	33,470.00
2.2 Deferred tax liabilities (net)		2,803.05	2,980.91
2.3 Other long-term liabilities	6	310.01	296.70
		<u>32,845.15</u>	<u>36,747.61</u>
3 <b>Current liabilities</b>			
3.1 Short-term borrowings	7	23,502.49	15,664.26
3.2 Trade payables	8	11,827.16	7,928.54
3.3 Other current liabilities	9	8,379.99	7,548.38
3.4 Short-term provisions	10	1,455.09	-
		<u>45,164.73</u>	<u>31,141.18</u>
<b>TOTAL</b>		<b><u>1,26,725.94</u></b>	<b><u>1,13,389.25</u></b>
<b>B ASSETS</b>			
1 <b>Non-current Assets</b>			
1.1 Fixed Assets			
1.1.1 Tangible Assets	11	67,543.46	71,238.84
1.1.2 Capital work-in-progress		1,746.77	1,271.12
		<u>69,290.23</u>	<u>72,509.96</u>
1.2 Non-current investments	12	329.14	329.14
1.3 Long-term loans and advances	13	1,803.65	2,232.55
1.4 Other non-current assets	14	2,383.96	2,515.77
		<u>4,516.75</u>	<u>5,077.46</u>
2 <b>Current Assets</b>			
2.1 Inventories	15	17,890.41	13,589.15
2.2 Trade receivables	16	13,313.14	2,074.54
2.3 Cash and cash equivalents	17	18,683.36	17,480.40
2.3.1 Restricted Bank Accounts		103.65	98.52
2.4 Short-term loans and advances	18	2,928.39	2,556.40
2.5 Other current assets	19	-	2.82
		<u>52,918.95</u>	<u>35,801.83</u>
		<b><u>1,26,725.94</u></b>	<b><u>1,13,389.25</u></b>

**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 : 21.06.2021

**J.Sumathi**  
Company Secretary

**R.Venkatakrishnan**  
Chief Financial Officer

**Consolidated Profit and Loss account for the year ended 31st March, 2021**

(₹ in lakh ₹ in lakhs)

	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations Net of Excise Duty	20	78,258.53	76,917.09
2 Other income	21	2,167.92	1,856.74
3 <b>Total revenue (1+2)</b>		<u>80,426.45</u>	<u>78,773.83</u>
4 <b>Expenses</b>			
4.1 Cost of materials consumed	22	36,568.02	33,703.17
4.2 Changes in inventories of Finished Goods / Work-In-Process	23	1,588.95	1,790.81
4.3 Employee benefits expense	24	8,316.13	8,910.85
4.4 Finance costs	25	3,520.73	3,829.79
4.5 Depreciation and amortisation Expenses	11.3	6,336.05	5,955.57
4.6 Other expenses	26	19,051.83	19,294.34
<b>Total expenses</b>		<u>75,381.71</u>	<u>73,484.53</u>
5 <b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		5,289.30	5,289.30
6 <b>Exceptional items</b>		-	-
<b>Profit on Sale of Business Asset</b>		-	-
Profit on Sale of Other Assets		173.09	21.47
7 <b>Profit / (Loss) before extraordinary items and tax (5 ± 6)</b>		<u>5,217.83</u>	<u>5,310.77</u>
8 <b>Extraordinary items</b>			
9 <b>Profit / (Loss) before tax (7 ± 8)</b>		<u>5,217.83</u>	<u>5,310.77</u>
10 <b>Tax expense:</b>			
10.1 Current tax expense for current year		725.00	818.12
10.2 Tax expense relating to prior years		-	1.86
10.3 Net current tax expense		725.00	819.98
10.4 Mat Credit adjusted		-	-818.12
10.5 Deferred tax Liability /(Asset)		-177.86	1,116.70
		547.14	1,118.56
11 <b>Profit / (Loss) from continuing operations (9 ± 10)</b>		<u>4,670.69</u>	<u>4,192.21</u>
<b>B DISCONTINUING OPERATIONS</b>			
12 <b>Profit / (Loss) from discontinuing operations</b>		-	-
<b>C TOTAL OPERATIONS</b>		<u>4,670.69</u>	<u>4,192.21</u>
13 <b>Profit / (Loss) for the year (11 ± 12)</b>		<u>4,670.69</u>	<u>4,192.21</u>
14 <b>Earnings per share (of Rs. 10 /- each):</b>			
14.1 Basic			
14.1.1 Continuing operations		19.35	17.37
14.1.2 Total operations		19.35	17.37
14.2 Diluted			
14.2.1 Continuing operations		19.35	17.37
14.2.2 Total operations		19.35	17.37

**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 : 21.06.2021

**J.Sumathi**  
Company Secretary

**R.Venkatakrishnan**  
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, 2013. 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:

<b>Particulars</b>	
Building	30 Years
Plant and Machinery	15 Years
Office Equipment	5 Years
Computer Equipments	5 Years
Furniture 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 recognition**Sale 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 translations**Initial 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 ₹ 757.08 Lakhs (Last Year ₹ 853.33 Lakhs).

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 2021 Number of shares	₹ in Lakhs	As at 31 March 2020 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	2,414.08	24,140,800	2,414.08

- (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, 2021				
- Number of shares	24,140,800	-	-	24,140,800
- Amount ₹ in lakhs	2,414.08	-	-	2,414.08
Year ended 31 March, 2020				
- Number of shares	24,140,800	-	-	24,140,800
- Amount ₹ in lakhs	2,414.08	-	-	2,414.08

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

Class of Shares	As at 31 March 2021 Number of shares held	% holding in that class of shares	As at 31 March 2020 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 2021	As at 31 March 2020
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		As at 31 March 2021	As at 31 March 2020
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	44,492.05	41,092.05
	Add: Transferred from surplus in Statement of Profit and Loss	3,200.00	3,400.00
	Less: Utilised / transferred during the year for: Interim Dividend / Dividend Tax	0.00	0.00
	Closing balance	47,692.05	44,492.05
4.4	Surplus / (Deficit) in Statement of Profit and Loss		
	Opening balance	(1,734.67)	(1,108.95)
	Add: Profit for the year	4,670.69	4,192.21
	Less: Interim dividend	0.00	1,417.93
	Less: Dividends proposed to be distributed to equity shareholders Rs. 5 per share)	1,207.04	0.00
	Tax on dividend	248.05	0.00
	Transferred to: General Reserve	3,200.00	3,400.00
	Closing balance	(1,719.07)	(1,734.67)
	<b>Total</b>	<b>46,301.98</b>	<b>43,086.38</b>

**Note 5 Long-term borrowings**

Term Loans From Banks

Secured

29,732.09 33,470.00

Unsecured

- -

**Total****29,732.09 33,470.00**

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 2021		As at 31 March 2020	
		Secured	Unsecured	Secured	Unsecured
<u>Term loans from banks:</u>					
Bank	Citi Bank	-		53.83	
	DBS - Loan	7,455.75		8,282.54	
	SBI (Formerly SBT)	2,072.86		2,888.79	
	SBI	731.60		1,507.20	
	HDFC	10,510.93		9,500.00	
	Federal	4,388.34		4,625.00	
	ICICI	12,848.95		14,062.50	
Total - Term loans from banks		38,008.43		40,919.86	
Less: Amounts due within 12 Months		8,276.34		7,449.86	
Total - Term loans from banks		29,732.09		33,470.00	

5.2 Terms of Security / Repayment

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



Particulars	₹ in Lakhs	₹ in Lakhs
5.3 Instalments Payable		TOTAL
2021 - 22		8,276.34
2022 - 23		7,129.80
2023 - 24		6,835.94
2024 - 25		6,835.94
2025 - 26		4,735.20
2026- 27		2,232.14
2027- 28		1,963.07
Total		38,008.43

\* 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 March 2021	₹ in Lakhs As at 31 March 2020
6.1 Trade Payables		
Other than acceptances	0.00	0.00
6.2 Others		
Payables on Purchase of Fixed Assets	0.00	0.00
Rental Advance Received	229.35	229.35
Advance from Customers	80.66	67.35
<b>Total</b>	<b>310.01</b>	<b>296.70</b>

#### Note 7 Short-term borrowings

7.1 Loans repayable on demand from Banks		
Secured	21,283.37	15,357.39
Unsecured	2,219.12	306.87
<b>Total</b>	<b>23,502.49</b>	<b>15,664.26</b>

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

	Nature of Security		
Loans repayable on demand from Banks	Hypothecation of Inventory/	23,502.49	15,664.26
Total - from banks	Book Debts	<b>23,502.49</b>	<b>15,664.26</b>
No Default in the Servicing of the facility availed.	Rate of Interest 6.96%		

#### Note 8 Trade payables

Trade Payables - Other than Acceptances	11,827.16	7,928.54
<b>Total</b>	<b>11,827.16</b>	<b>7,928.54</b>

#### Note 9 Other current liabilities

9.1 Current maturities of long-term debt - Secured	8,276.34	7,449.86
9.2 Unpaid dividends	103.65	98.52
<b>Total</b>	<b>8,379.99</b>	<b>7,548.38</b>

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 2021 ₹ 6,40,00,000)		
(As At 31 Mar 2020 ₹ 8,18,12,284)		
10.2 Provision for proposed equity dividend	1,207.04	-
10.3 Provision for tax on proposed dividend	248.05	-
<b>Total</b>	<b>1,455.09</b>	<b>-</b>

**M M FORGINGS LIMITED**

## Notes forming part of the Consolidated financial statements

## Note 11 Fixed Assets

11.1 Tangible Assets	Gross block						
	Balance as at 1 April, 2020	Additions	Disposals	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31 March, 2021
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
11.1.1 Land	6,373.77	96.90	-	-	-	-	6,470.67
11.1.2 Buildings	14,773.21	432.74	-	-	-	-	15,205.95
11.1.3 Plant and Equipment	1,00,834.63	2,069.52	86.81	(96.25)	133.43	-	1,02,854.52
11.1.4 Furniture and Fixtures	278.41	-	-	-	-	-	278.41
11.1.5 Vehicles	830.54	28.81	0.46	-	-	-	858.89
11.1.6 Office equipment	1,918.13	47.05	-	-	-	-	1,965.18
11.1.7 Goodwill	265.68	-	-	-	-	-	265.68
<b>Total</b>	1,25,274.37	2,675.02	87.27	(96.25)	133.43	-	1,27,899.30
<b>Previous year</b>	1,13,209.42	11,511.27	267.08	425.59	395.17	-	1,25,274.37

All the Assers are Free Hold and None of them are Lease Hold or held for others use.

## Note 11 Fixed Assets (contd.)

11.2 Tangible Assets	Accumulated depreciation and impairment				Net Block	
	Balance as at 1 April, 2020	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Other adjust- ment	Balance as at 31 March, 2021	Balance as at 1 April, 2020
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
11.1.1 Land	0.00	0.00	0.00	0.00	0.00	6373.77
11.1.2 Buildings	2712.58	497.56	0.00	0.00	3210.14	12060.63
11.1.3 Plant and Equipment	48734.16	5727.41	15.28	0.00	54446.29	52100.47
11.1.4 Furniture and Fixtures	266.61	8.24	0.00	0.00	274.85	11.80
11.1.5 Vehicles	622.98	54.19	0.46	0.00	676.71	207.56
11.1.6 Office equipment	1699.20	48.65	0.00	0.00	1747.85	218.93
11.1.7 Goodwill	0.00	0.00	0.00	0.00	0.00	265.68
<b>Total</b>	54035.53	6336.05	15.74	0.00	60355.84	71238.84
<b>Previous year</b>	48091.43	5955.57	12.91	0.00	54034.09	65117.99

**11.3 Depreciation and amortisation relating to continuing operations:**

Particulars	For the year ended 31 March, 2021 ₹ in Lakhs		For the year ended 31 March, 2020 ₹ in Lakhs	
Depreciation and amortisation for the year on tangible assets as per Note 12 A	6,336.05		5,955.57	
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	6,336.05		5,955.57	

**Note 12 Non-current investments**

Particulars	As at 31 March, 2021			As at 31 March, 2020		
	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	474.34	488.44
- Fully Paid						
<b>Total - Other investments (12.2)</b>	14.10	474.34	488.44	14.10	474.34	488.44
Less: Provision for diminution in value of investments			-			-
<b>Total</b>			<b>488.44</b>			<b>488.44</b>
Aggregate amount of quoted investments			14.10			14.10
Aggregate market value of listed and quoted investments			21.62			36.12

**Notes forming part of the consolidated financial statements**₹ in Lakhs  
₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Note 13 Long-term loans and advances</b>		
13.1 Security deposits	-	-
Secured, considered good	-	-
Unsecured, considered good	697.28	929.76
Doubtful	0.00	0.00
	697.28	929.76
Less: Provision for doubtful deposits	-	-
	697.28	929.76
13.2 Advance Income Tax	162.68	274.10
13.3 Mat Credit Available	943.69	1,028.69
13.4 Balances with government authorities		
Unsecured, considered good		
<b>Total</b>	<b>1,803.65</b>	<b>2,232.55</b>

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	2.97	1,079.39
14.1.2 Work-in-progress - Steel Forgings	432.35	138.20
14.1.3 Stores & Spares	302.04	470.82
14.1.4 Consumable Tools	-	0.26
<b>Total</b>	<b>737.36</b>	<b>1,688.67</b>
14.2 Other Assets		
14.2.1 Sundry Debtors	607.89	473.67
14.2.2 Advance to Suppliers	1,038.71	353.43
14.2.3 Insurance claims	0.00	0.00
<b>Total</b>	<b>2,383.96</b>	<b>2,515.77</b>

**Note 15 Inventories**

(At lower of cost and net realisable value)

15.1 Raw materials	10,445.06	4,148.79
15.2 Work-in-progress - Steel Forgings	6,543.63	8,426.73
15.3 Stores and spares	473.81	507.24
15.4 Consumable Tools	427.91	506.39
<b>Total</b>	<b>17,890.41</b>	<b>13,589.15</b>

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

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Note 16 Trade receivables</b>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment #		
Secured, considered good	-	-
Unsecured, considered good	13,313.14	2,074.54
Doubtful		
	13,313.14	2,074.54
Less: Provision for doubtful trade receivables	-	-
<b>Total</b>	<b>13,313.14</b>	<b>2,074.54</b>

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	53.36	57.66
17.2 Cheques, drafts on hand	0.00	0.00
17.3 Investments in Liquid funds	18,539.58	17,255.89
17.4 Balances with banks	0.00	0.00
17.4.1 In current accounts	35.86	113.22
17.4.2 In deposit accounts (Refer Note below)	54.56	53.61
<b>Total</b>	<b>18,683.36</b>	<b>17,480.38</b>

Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 - Cash Flow Statement is ₹ 18683.36 Lakhs . ( As at 31st March 2020 - ₹ 17480.38 Lakhs)

**Note:** Balances with banks include deposits amounting to ₹ 19.00 Lakhs as at 31st March 2021 which have an original maturity of more than 12 months. (As at 31st March 2021- ₹ 102.94 Lakhs)

**Note 18 Short-term loans and advances**

18.1 Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	215.64	189.90
Doubtful	-	-
	215.64	189.90
Less: Provision for doubtful loans and advances	-	-
	215.64	189.90
18.2 Prepaid expenses - Unsecured, considered good	125.13	141.96
18.3 Balances with government authorities - Unsecured, considered good		
18.3.1 GST credit receivable	2,586.36	2,214.43
18.4 Others		
Secured, considered good	-	-
Unsecured, considered good	1.26	11.01
Doubtful	0.00	0.00
	1.26	11.01
Less: Provision for other doubtful loans and advances	0.00	0.00
	1.26	11.01
<b>Total</b>	<b>2,928.39</b>	<b>2,556.40</b>

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 2021	As at 31 March 2020
<b>Note 19 Other current assets</b>		
19.1 Others	-	-
19.1.1 Insurance claims	-	2.82
<b>Total</b>	-	<b>2.82</b>
<b>Note 20 Revenue from operations</b>		
20.1 Sale of products	76,840.50	75,278.42
20.2 Other operating revenues	1,418.03	1,638.67
<b>Total</b>	<b>78,258.53</b>	<b>76,917.09</b>
20.1.1 Sale of products comprises		
<u>Manufactured goods</u>		
Steel Forgings	76,840.50	75,278.42
<b>Total - Sale of products</b>	<b>76,840.50</b>	<b>75,278.42</b>
20.2.1 Other operating revenues		
Power Generated	1,418.03	1,638.67
<b>Total - Other operating revenues</b>	<b>1,418.03</b>	<b>1,638.67</b>
<b>Note 21 Other income</b>		
21.1 Interest income from Bank Deposits	444.87	562.44
21.2 Dividend income: from long-term investments	1,357.55	1,059.82
21.3 Miscellaneous Income	365.50	234.48
<b>Total</b>	<b>2,167.92</b>	<b>1,856.74</b>
<b>Particulars</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Note 22 Cost of materials consumed</b>		
Opening stock	5,228.18	7,930.19
Add: Purchases	41,787.87	31,001.16
	<b>47,016.05</b>	<b>38,931.35</b>
Less: Closing stock	10,448.03	5,228.18
<b>Cost of material consumed</b>	<b>36,568.02</b>	<b>33,703.17</b>
Material consumed comprises: Raw material Steel Billets		
<b>Note 23 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
<u>Inventories at the end of the year:</u>		
Work-in-progress Forgings	6,975.98	8,564.93
<u>Inventories at the beginning of the year:</u>		
Work-in-progress Forgings	8,564.93	10,355.74
<b>Net (increase) / decrease</b>	<b>1,588.95</b>	<b>1,790.81</b>
<b>Note 24 Employee benefits expense</b>		
24.1 Salaries and wages	6,852.39	7,158.89
24.2 Managerial Remuneration	606.65	628.04
24.2 Contributions to provident and other funds	338.51	406.21
24.3 Staff Gratuity	32.36	33.30
24.4 Staff welfare expenses	486.22	684.41
<b>Total</b>	<b>8,316.13</b>	<b>8,910.85</b>
<b>Note 25 Finance costs</b>		
Interest expense on: Borrowings	3,520.73	3,829.79
<b>Total</b>	<b>3,520.73</b>	<b>3,829.79</b>

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

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
<b>Note 26 Other expenses</b>				
26.1 Consumption of Stores			1,769.13	1,802.85
26.2 Consumption of Tools			2,376.99	2,245.34
26.3 Outside Labour			679.25	849.81
26.4 Power and fuel			7,206.93	7,323.43
26.5 Repairs and Maintenance				
26.5.1 Buildings	100.22	168.15		
26.5.2 Machinery	738.61	802.07		
26.5.3 Machinery Spares	882.18	1,054.46	1,721.01	2,024.68
26.6 Selling Expenses			1,255.89	1,009.99
26.7 Export Expenses				
26.7.1 Packing & Forwarding	638.09	655.09		
26.7.2 Freight	1,905.64	657.65		
26.7.3 Commission	0.00	421.86		
26.7.4 Warehousing Charges	152.25	569.58		
26.7.5 Others	78.26	112.32	2,774.24	2,416.50
26.8 Loss on fixed assets sold / scrapped / written off			0.00	0.00
26.9 Miscellaneous expenses			1,268.39	1,621.74
<b>Total</b>			<b>19,051.83</b>	<b>19,294.34</b>
Miscellaneous expenses includes payment to auditors comprising of :				
As auditors - statutory audit			17.56	19.50
For taxation matters			1.50	1.35
Reimbursement of Expenses / Service Tax			0.00	0.74
<b>Total</b>			<b>19.06</b>	<b>21.59</b>

**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	587.24	-
--	--------	---

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


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

Particulars		As at 31 March 2021	As at 31 March 2020
29.3	The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below: <b>Receivable/ (Payable) in Foreign Currency</b>	Receivable/ (Payable)  <b>NIL</b> <b>For the</b> <b>year ended</b> <b>31 March</b> <b>2021</b>	Receivable/ (Payable)  <b>NIL</b> <b>For the</b> <b>year ended</b> <b>31 March</b> <b>2020</b>
29.4	<b>Value of imports calculated on CIF basis</b>		
	Raw materials	5.01	-
	Consumable Stores / Tools	19.00	17.70
	Machinery Spares	10.53	6.96
	Capital goods	389.47	797.47
29.5	<b>Expenditure in foreign currency</b>		
	Travelling	92.48	106.12
	Export Expenses	719.86	1,102.51
	Staff Training	12.39	4.00
29.6	<b>Details of consumption of imported and indigenous items</b>		
		<b>31st Mar 2021</b>	<b>31st Mar 2020</b>
	<u>Imported</u>	<b>₹ in Lakhs</b>	<b>₹ in Lakhs</b>
	Raw materials	5.01	-
	Consumable Stores / Tools	19.00	17.70
	Machinery Spares	10.53	6.96
		<b>34.54</b>	<b>24.66</b>
	<u>Indigenous</u>		
	Raw materials	36,563.01	33,703.17
	Consumable Stores / Tools	4,127.12	4,030.49
	Machinery Spares	871.65	1,047.50
		<b>41,561.78</b>	<b>38,781.16</b>
29.7	<b>Earnings in foreign exchange</b>		
	Export of goods calculated on CIF basis	34,578.25	36,830.87
<b>Note 30 Disclosures under Accounting Standards (contd.)</b>			
30.1	<b>Details of government grants</b>	Nil	Nil
30.2	<b>Details of borrowing costs capitalised</b>		
	Borrowing costs capitalised during the year		
	- as fixed assets / intangible assets / capital work-in-progress	-	-
	- as inventory	-	-
<b>Note 31 Deferred Tax Liability</b>			
	Tax Effect of Items constituting the same:-		
	on difference between book balance and tax balance of Fixed Assets	2,803.05	2,980.91

**Consolidated Cash Flow Statement for the year ended 31st March 2021**

(₹ in lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A Cash Flow From Operating Activities</b>		
Net Profit / (Loss) before extraordinary items and tax	5,217.84	5,310.76
<i>Adjustments for:</i>		
Depreciation and amortisation	6,336.05	5,955.57
(Profit) / Loss on sale / write off of assets	-173.09	-21.47
Finance costs	3,520.73	3,829.79
Interest income	-444.87	-562.44
Dividend income	-1,357.55	-1,059.82
	7,881.27	8,141.63
Operating Profit / (Loss) before working capital changes	13,099.11	13,452.39
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	-4,301.25	6,107.99
Trade receivables	-11,238.60	6,957.28
Short-term loans and advances	-371.97	1,663.14
Long-term loans and advances	232.48	-40.52
Other current assets	-2.30	6.03
Other non-current assets	131.81	-1,254.34
<i>Adjustments for increase/(decrease) in operating liabilities</i>		
Trade payables	4,109.51	2,112.14
Other current liabilities	848.10	1,778.03
Other long-term liabilities	13.31	-1,586.81
	-10,578.91	15,742.94
Cash generated from operations	2,520.20	29,195.33
Net income tax (paid) / refunds	545.11	914.42
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>1,975.09</b>	<b>28,280.91</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	-3,187.90	-9,683.76
Proceeds from sale of fixed assets	244.62	275.63
Long Term Investments	0.00	0.00
Interest received	444.87	562.44
Dividend received	1,357.55	1,059.82
Bank Deposit having original maturity over three months	0.00	0.00
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>-1,140.86</b>	<b>-7,785.87</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from long-term borrowings( Net)	2,000.00	-298.23
Repayment of long-term borrowings(Net)	-5,737.97	-6,158.75
Advance to Subsidiary Company	0.00	0.00
Net increase / (decrease) in working capital borrowings	7,838.23	-7,764.90
Repayment of other short-term borrowings	0.00	0.00
Finance cost	-3,520.73	-3,829.79
Interim Dividend / Tax on Dividend	0.00	-1,417.93
Dividends paid	0.00	-603.52
Tax on dividend	-210.89	-105.45
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>368.64</b>	<b>-20,178.57</b>
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>1,202.87</b>	<b>316.49</b>
Cash and cash equivalents at the beginning of the year	17,480.39	17,163.90
Cash and cash equivalents at the end of the year	18,683.26	17,480.39
	1,202.87	316.49

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 : 21.06.2021

**J.Sumathi**  
Company Secretary

**R.Venkatakashnan**  
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	(1,320.12)
7	Total assets	8,885.75
8	Total Liabilities	10,046.57
9	Investments	NIL
10	Turnover	5,693.76
11	Profit before taxation	(275.25)
12	Provision for taxation/Deferred Tax	(285.22)
13	Profit after taxation	9.97
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			

- Names of associates or joint ventures which are yet to commence operations.
- 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.**  
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 : 21.06.2021

**J. Sumathi**  
Company Secretary

**R. Venkatakrishnan**  
Chief Financial Officer

