

M M FORGINGS LIMITED

SVK TOWERS, A 24/25, THIRU VI KA INDUSTRIAL ESTATE, GUINDY, CHENNAI- 32
Phone: 91-44-71601000 E-Mail: corporate@mmforgings.com CIN L51102TN1946PLC001473

Date : 31 July 2019

The Deputy General Manager Corporate Relationship Department. Bombay Stock Exchange Limited, Rotunda Building, P.J.Towers, First Floor, New Trading Wing, Dalal Street, MUMBAI –400 001	National Stock Exchange of India Ltd 'Exchange Plaza', Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051
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Dear Sirs,

Ref.: NSE : security code- MMFL –EQ; BSE : Security Code -522241

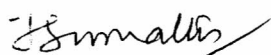
Sub: Annual Report and Notice of Annual General Meeting reg.

1. With reference to Regulation 34 of SEBI LODR, please find enclosed the Annual Report, along with Notice of Annual General Meeting of the shareholders. We request you to note that we have also posted it on our website, http://www.mmforgings.com/Annual_Report.html.
2. We request you to take on records.

Thanking you,

Yours faithfully,

For M M FORGINGS LIMITED



J.SUMATHI
COMPANY SECRETARY





M M FORGINGS LIMITED

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

73rd Annual Report

and

Accounts for the year ended 31.03.2019



Notice To Shareholder

NOTICE IS HEREBY GIVEN THAT THE SEVENTY THIRD ANNUAL GENERAL MEETING OF MM FORGINGS LIMITED will be held at Music Academy, (Mini Hall), Old No. 306, New No. 168, TTK Road, Royapettah, Chennai – 600014 on Thursday, 29 August 2019 at 11.30 A.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31 March, 2019 including Audited Balance Sheet as at 31 March, 2019 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri. Vidyashankar Krishnan, (holding DIN No.00081441) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

3. REAPPOINTMENT OF SMT. KAVITHA VIJAY AS AN INDEPENDENT DIRECTOR

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

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Smt. Kavitha Vijay (holding DIN 01047261), Director of the Company whose period of office expires by 31 March 2020 shall be reappointed as an Independent Director of the Company and shall hold office for five consecutive years from 01 April 2020 and the provisions of Sec.152 (6) and (7) in respect of retirement of directors by rotation shall not be applicable to appointment of Smt. Kavitha Vijay as an Independent Director.”

“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. Kavitha Vijay, 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, for a period of five years commencing from 01 April 2020 as may be decided by the Board from time to time.”

4. 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 2019-20 on a remuneration of ₹ 60,000 plus Out of pocket expenses of ₹ 15,000, totaling ₹ 15,000 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”

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

Place : Chennai
Date : 28 May 2019

J.SUMATHI
Company Secretary
Membership No. 8621



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

Item No. 3

As per the provisions of Section 149, Section 152 and Schedule IV of the Companies Act, 2013 read with rules there under, the Company had appointed Smt. Kavitha Vijay, as an Independent Director as per the requirement of the Companies Act, 2013 at the 69th Annual General Meeting of the Company held on 26 August 2015 for a term of 5 years, with effect from 01 April 2015 to 31 March 2020. Since, the Director has completed one term, she is further eligible for re-appointment for one more term. The Performance evaluation of the Independent Director was conducted by the entire Board (excluding the Director being evaluated) on the basis of criteria such as Transparency, Analytical Capabilities, Performance, Leadership, Ethics and ability to take balanced decisions regarding stakeholders, etc. Accordingly, based on the performance evaluation of the Independent Director, the Nomination & Remuneration Committee and Board of Directors of the Company at their meeting held on 28 May 2019, have approved and recommended the reappointment of the aforesaid Independent Director, for a second term as provided in the resolutions, and she shall not be liable to retire by rotation at the Annual General Meeting as provided under Section 152(6) of the Companies Act, 2013.

The Company has received declaration from Smt. Kavitha Vijay, confirming that she meet with the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, she fulfills the conditions specified in the said Act for re-appointment as an Independent Director. The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from member proposing the candidature for appointment of Smt. Kavitha Vijay.

Smt. Kavitha Vijay (DIN 01047261) has been in corporate law practice for about 14 years. She is presently the partner and Chennai head of M/s. Universal Legal, a distinguished and reputed firm of Advocates, affiliated to The Chugh Firm, USA (www.chugh.com). Prior to this, she was working at a reputed law firm in Mumbai, Crawford Bayley & Co. under the partner, Shri. Suresh. N. Talwar and has also interned with the retired Justice Smt. Prabha Sridevan during her practice as an attorney in the Tamil Nadu courts.

Her areas of expertise include corporate and commercial documentation, structuring mergers and acquisitions and amalgamations, advising on private equity deals, joint venture and technology transfer agreements in varied industry verticals including manufacturing sectors and automobile companies, software development agreements and negotiations for companies in information technology sector. She has advised various Indian companies, multinational corporations and companies of international repute on company formations and investment strategies in India, structuring of foreign corporations entering India, cross border jurisdiction decisions and has clients from India and overseas. She is enrolled with the Tamil Nadu Bar Council since 1998 and holds B.Sc. from the Women's Christian College and her LL.B. (a Bachelors Degree in Law) from the prestigious Dr. Ambedkar Government Law College, Chennai.

She is also on the Board of following Indian companies representing the firm's foreign clients.

1. A V Thomas and Co. Ltd
2. Wolters Kluwer ELM Solutions Private Ltd
3. Madura Micro Finance Limited.

Smt. Kavitha Vijay does not hold any shares in this company.

The Board recommends the Resolution as set out in item 3 of the Notice for approval of the Members as a Special Resolution

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Smt. Kavitha Vijay, are in any way concerned or interested in the Resolutions, as set out in item no.3



Item No. 4

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 28 May 2019, 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 2020.

The Board recommends the Resolutions as set out in item no. 4 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.4

The above resolution does not affect any other company.

IMPORTANT NOTES:

1. 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.
2. **PURSUANT TO SECTION 105 OF THE COMPANIES ACT, 2013, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

3. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
4. Date of Book closure for the purpose of Annual Closing : Friday, 23 August 2019 to Thursday 29 August 2019 (Both days inclusive)
5. Under Section 124 of the Companies Act, 2013 and the Rules therein, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred ₹ 595,787/- pertaining to the interim dividend for the year 2010-11 on 04 May 2018, to the Investor Education and Protection Fund of the Central Government. Those shareholders who have not claimed, can claim from the Government.

The Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2012-2018, as on the date of the 72nd Annual General Meeting (AGM) held on 11 July 2018 on the website of the IEPF viz. www.iepf.gov.in and on the Website of the Company, www.mmforgings.com. Members who have not encashed their dividend, are advised to write to the Company immediately claiming dividends declared by the Company.

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

There were no common shareholders to those who had not encashed the Dividend for Seven consecutive years. Hence, no shares were transferred to IEPF account. However, 300 bonus shares issued for the IEPF shares were credited to the IEPF account on 20 July 2018.

6. 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.
7. 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.
8. 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
9. Details under SEBI (LODR), in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
10. Electronic copy of the Annual Report for 2019 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 address, physical copies of the Annual Report for 2019 is being sent in the permitted mode.
11. Electronic copy of the Notice of the 73rd Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being 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 address, physical copies of the Notice of the 73rd Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
12. Shareholders seeking any information with regard to accounts are request to send their queries at least 7 days before the meeting so as to enable the company to keep the information ready.
13. Member / Proxy holder should fill in the attendance slip for attending the meeting and bring their Attendance Slip to the meeting.
14. **Re-appointment of Directors:**

Pursuant to Regulations 36(3) of SEBI (LODR) and Secretarial Standard 2 issued by ICSI, following information is furnished:

14.1 Profile of Non Executive Director :

As per the provisions of Section 149, Section 152 and Schedule IV of the Companies Act, 2013 read with rules thereunder, the Company had appointed Smt Kavitha Vijay, as an Independent Director as per the requirement of the Companies Act, 2013 at the 69th Annual General Meeting of the Company held on 26 August 2015 for a term of 5 years, with effect from 01 April 2015 to 31 March 2020. Since, the Independent Director of the Company has completed one term, she is further eligible for re-appointment for one more term.

Hence, her reappointment will be made for a period of 5 years wef., 01 April 2020.

14.1.1 Smt. Kavitha Vijay :

- A brief resume and nature of expertise:

Smt. Kavitha Vijay (DIN 01047261), has been on the Board of MM Forgings Limited with effect from 01 April 2015.

Smt. Kavitha Vijay holds a Bachelor Degree in Science and a Bachelor Degree in Law. She has been in corporate law practice for about 14 years. She is presently the partner and Chennai head of M/s. Universal Legal, a distinguished and reputed firm of Advocates, affiliated to The Chugh Firm, USA (www.chugh.com).

Her areas of expertise include corporate and commercial documentation, structuring mergers and acquisitions and amalgamations, advising on private equity deals, joint venture and technology transfer agreements in varied industry verticals including manufacturing sectors and automobile companies, software development agreements and negotiations for companies in information technology sector.

- Disclosure of Relationship between Directors, Managers and KMP of the Company: Nil.
- Other Directorship : Refer Note 29 of Notes on accounts.
- No. of shares in the Company : Nil
- Smt. Kavitha Vijay is the member of Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee of the Company.
- The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Smt. Kavitha Vijay as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Smt. Kavitha Vijay as an Independent Director, for the approval by the shareholders of the Company.

14.2 Profile of Executive Director

14.2.1 Shri. Vidyashankar Krishnan:

- 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 31 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.
- Disclosure of Relationship between Directors, Managers and KMP of the Company:
Shri .Vidyashankar Krishnan is brother of Shri. K. Venkatramanan, Joint Managing Director.
- Other Directorship : Refer Note 29 of Notes on accounts.
- No. of shares held in the Company : 27,20,240 shares.

15. The instructions for shareholders voting electronically are as under:

- 1. The voting period begins on Monday 26 August 2019 at 10 a.m. and ends on Wednesday 28 August 2019 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 22 August 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Details of Scrutinizer : Shri. N. Damodaran, Practicing Company Secretary (Membership No. 5837, C P No. 5081).

2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
3. The shareholders should log on to the e-voting website www.evotingindia.com.
4. Click on Shareholders.
5. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,



- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
6. Next enter the Image Verification as displayed and Click on Login.
7. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

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

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



19. **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
20. **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
16. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
17. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send to the Company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.

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Board of Directors

Chairman

Shri. N. Srinivasan

Vice Chairman and Managing Director

Shri. Vidyashankar Krishnan

Company Secretary

Smt. J. Sumathi

Chief Financial Officer

Shri. R.Venkatakrishnan

Registered Office

'SVK Towers'

A25, 8th Floor, Industrial Estate,
Guindy, Chennai - 600 032

Phone : 044 -71601000

Fax No. 044- 71601010

E-mail : mmforge@mmforgings.com

Factories

Plant 1 - Singampunari – 630 502, Tamil Nadu

Plant 2 - Viralimalai – 621 316, Tamil Nadu

Plant 4 - Mathur Post – 602 105 Tamil Nadu

Plant 7 - Industrial Automation Division - 600 058, TN

Plant 8 - Rudrapur - 263 153 Uttarkand

(DVS Industries Pvt Ltd, Subsidiary Company)

Plant 5 - Windfarms

W1 - Panakudi - 627109 Tamil Nadu

W2 - Theni District - 625 531 Tamil Nadu

W3 - Tenkasi - 627 811 Tamil Nadu

W4 - Kallapalayam 641 201 Tamil Nadu

Plant 6 - Solar sites

S1 - Aruppukottai - 626105 Tamil Nadu

S2 - Viralimalai - 621 316 Tamil Nadu

Bankers

State Bank of India

FB,155, Anna Salai, Chennai – 600 002

Citibank N.A

163, Anna Salai, Chennai - 600002

ICICI Bank

No.1 Cenotaph Road, Chennai - 600018

Directors

Shri. V. Vaidyanathan

Shri. A. Gopalakrishnan

Smt. Kavitha Vijay

Jt. Managing Director

Shri. K. Venkatramanan

Statutory Auditors

Shri. G. R. Naresh Kumar

Membership No. 215577

GRNK & Co.

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

Thiruvanaikoil Post, Tiruchirapalli – 620 005

Phone No. 0431 4012931

Firm Registration No.: 016847S

Internal Auditor

Shri. Balaji Gopal

Cost Auditor

Shri. S. Hariharan

Sri Sapthagiri Homes

S.S. IInd Floor, Pulimandapam Road,

Srirangam, Trichy - 620006

Secretarial Auditor

Shri. V Shankar

2-1-2 B Block First Floor

Greata Pearl Apartments, 174/206,

Choolaimedu High Road, Chennai - 600 094

Ph : 044 23728925 C P No. 12974

Share Transfer Agents

Cameo Corporate Services Limited

'Subramanian Building', Fifth Floor

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

Phone : 044 - 28460390—94

DBS Bank

806, Anna Salai, Chennai - 600002

HDFC Bank Ltd

No. 115, Dr. Radhakrishna Salai,

Mylapore, Chennai – 600 004

Federal Bank

No. 61, Anna Salai, Chennai - 600002

**PERFORMANCE HISTORY**

(₹ in lakhs)

DESCRIPTION / YEAR	FY 19	FY 18	FY17	FY16	FY 15	FY 14	FY 13	FY 12	FY 11	FY 10
INCOME										
Sales - Exports	46,355.03	35,559.47	29,314.40	33,743.07	35,059.10	29,112.09	25,396.52	23,905.35	18,294.07	10,417.74
- Domestic	42,381.88	24,531.62	16,728.26	15,162.74	13,891.22	10,961.82	9,627.13	10,476.61	8,295.11	5,426.22
- Total	88,736.91	60,091.09	46,042.66	48,905.81	48,950.32	40,073.91	35,023.65	34,381.96	26,589.18	15,843.96
Other Operating Income	1,655.29	1,970.63	1,797.02	1,320.07	1,303.08	1,069.56	1,088.14	641.29	622.89	598.47
Other Income	1,586.71	1,229.28	1,126.77	541.24	241.28	315.88	51.29	735.93	985.88	114.15
TOTAL INCOME	91,978.91	63,291.00	48,966.45	50,767.12	50,494.68	41,459.35	36,163.08	35,759.18	28,197.95	16,556.58
Operating Profit	18,911.64	13,673.40	10,401.98	11,343.00	11,318.14	8,209.96	5,829.22	6,781.57	6,346.99	2,958.76
Profit After Tax	8,135.04	6,850.73	4,342.22	5,008.84	5,054.82	2,931.90	2,444.96	2,675.46	2,971.09	1,041.66
Earnings per share	33.70	56.76	35.97	41.50	41.88	24.29	20.26	22.17	24.61	8.63
Dividend Payout	50%	100%	60%	60%	60%	40%	30%	30%	30%	15%
Dividend including tax paid	1,410.40	1,402.86	841.72	841.72	841.72	561.14	420.85	420.85	422.25	211.83
Dividend as a % to PAT	17.3%	20.5%	19.4%	16.8%	16.7%	19.1%	17.2%	15.7%	14.2%	20.3%
Share Capital	2,414.08	1,207.04	1,207.04	1,207.04	1,207.04	1,207.04	1,207.04	1,207.04	1,207.04	1,207.04
Reserves & Surplus	41,210.66	35,700.59	30,252.69	26,752.19	22,585.00	18,371.91	16,001.18	13,977.08	11,722.53	9,177.11
Return on Capital Employed	15.7%	16.9%	17.1%	22.7%	25.8%	22.5%	17.8%	19.3%	20.2%	14.0%
Return on Net Worth	19.0%	17.1%	14.0%	17.6%	20.5%	14.5%	13.7%	17.7%	22.4%	9.3%
Working Capital	23,429.06	17,258.64	7,444.49	9,213.43	9,178.08	10,251.78	7,434.43	7,299.61	7,344.89	4,314.15
W C as a % to sales	25.5%	27.3%	15.2%	18.1%	18.2%	24.7%	20.6%	20.4%	26.0%	26.1%
Current Ratio	1.85	1.74	2.36	2.00	1.92	1.41	1.50	1.54	1.47	1.50
TOL / NW	1.76	1.25	0.82	0.87	0.93	0.87	1.05	1.17	1.19	1.26
Debt / Equity	1.04	0.57	0.47	0.43	0.41	0.25	0.41	0.53	0.43	0.69

Director's Report

1. FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2019

	(₹ in Lakhs)	
	2018-19	2017-18
1.1. Forging Sales	88,736.91	60,091.09
1.2. Profit before exceptional items/extraordinary items and Tax	10,854.10	8,191.36
1.3. Exceptional/Extraordinary Items	2.41	17.21
1.4. Profit Before Tax	10,856.51	8,208.57
1.5. Tax		
For current year	2,192.49	1,500.00
Relating to previous years	-	-
Deferred Tax	522.03	(323.35)
MAT credit entitlement	6.95	181.19
Profit After Tax	8,135.04	6,850.73

The Directors commend the employees for their commitment and contribution.

2. DIVIDEND AND FINANCIAL RESULTS:

	(₹ in Lakhs)	
	2018-19	2017-18
2.1. Profit After Tax	8,135.04	6,850.56
2.2. Balance in P & L Account	292.62	244.72
2.3. Profit available for appropriation	8,427.66	7,095.48
2.4. Transfer to General Reserve	6,700.00	5,400.00
2.5. Interim Dividend paid	708.97	701.43
2.6. Proposed Dividend	708.97	701.43
2.7. Balance carried forward	309.72	292.62

On 28 May 2019 the Directors declared a second interim dividend of 25 %, ₹ 2.5/ per share of face value of ₹ 10/- each. The Directors earlier declared first interim dividend of 25% - ₹ 2.5/- per share of face value of ₹ 10/- each and was paid on 05 March 2019. The Directors do not recommend any final dividend for the year 2018-19.

3. SHARE CAPITAL

Your Company has increased its authorised share capital from ₹ 15 Crores to ₹ 30 Crores. The paid up capital has doubled from ₹ 12.07 Crores to ₹ 24.14 Crores, due to issue of fully paid Bonus Shares in the ratio of 1:1.

4. HIGHLIGHTS OF THE COMPANY'S OPERATIONAL PERFORMANCE

- 4.1 The Company has recorded overall Revenue, which crosses ₹ 900 crores.
- 4.2 For the first time in the history of the Company. PBT crossed the significant milestone of ₹ 100 crores.
- 4.3 The Company has recorded PAT which stands at ₹ 81 crores.
- 4.4 The Company continues to be a net foreign exchange earner. The net foreign exchange earnings during the current year were ₹ 277.30 crores.
- 4.5 The Company has retained its ISO 9001 and TS 16949 Certification for its Quality Management.
- 4.6 The increase in domestic sales was 73% and increase in export sales was 30%.
- 4.7 Overall sales has marked a growth rate of 48%
- 4.8 The capital expenditure during the year was ₹ 289.17 crores. Forgings and machining capacity has been substantially increased in line with customer demand. The company also produces green energy in its solar and wind farms.
- 4.9 The Company has acquired 100 % stake in DVS Industries (Private) Ltd and hence, DVS Industries has become a wholly owned subsidiary company.

**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

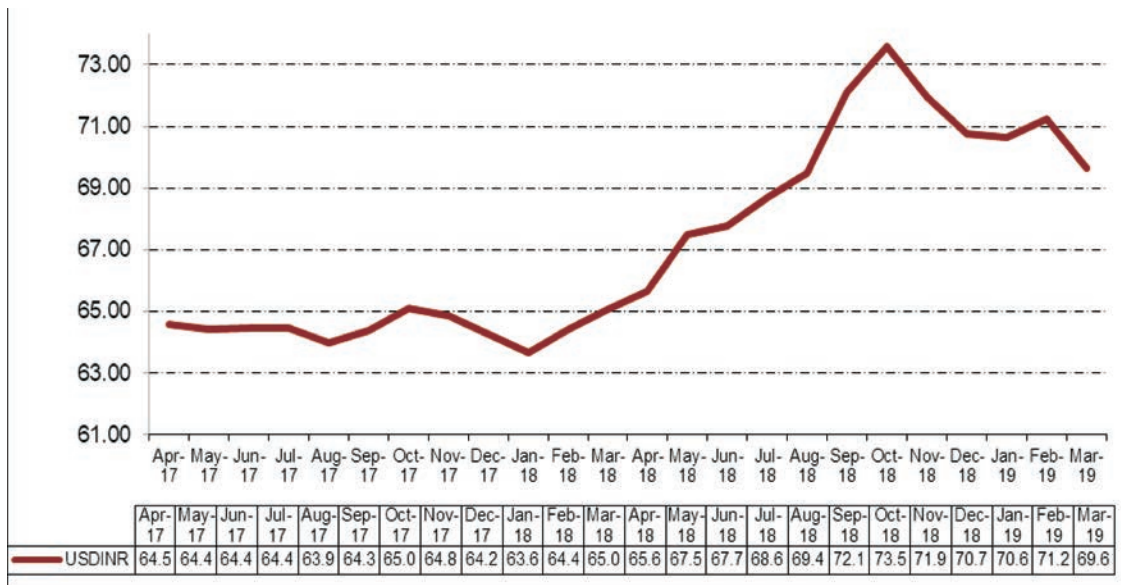
Raw Material	–	₹ 442.89 Crores (48.15%)
Personnel	–	₹ 87.49 Crores (9.51%)

7. MANAGEMENT DISCUSSION AND ANALYSIS :**GLOBAL SCENE**

1. After strong growth in 2017 and early 2018, global economic activity slowed notably in the second half of last year, reflecting a confluence of factors affecting major economics. China's growth declined following a combination of needed regulatory tightening to rein in shadow banking and an increase in trade tensions with the United States. The euro area economy lost more momentum than expected as consumer and business confidence weakened and car production in Germany was disrupted by the introduction of new emission standards; investment dropped in Italy as sovereign spreads widened; and external demand, especially from emerging Asia, softened. Elsewhere, natural disasters hurt activity in Japan.
2. Conditions have eased in 2019 as the US Federal Reserve signaled a more accommodative monetary policy stance and markets became more optimistic about a US-China trade deal, but they remain slightly more restrictive than in the fall.
3. Global growth in 2019 is expected to slow to 2.6%, reflecting weaker-than-expected trade and investment at the start of the year. Growth is projected to gradually rise to 2.8% by 2021, predicated on continued benign global financing conditions and a modest recovery in emerging market and developing economies.
4. In the United States, growth is expected to decline to 2.3% in 2019 and soften further to 1.9% in 2020 with the unwinding of fiscal stimulus.
5. Growth in the Euro area is set to moderate from 1.8% in 2018 to 1.3% in 2019 and recover to 1.5% in 2020. Although growth is expected to recover in the first half of 2019 as some of the temporary factors that held activity back dissipate, carryover from the weakness in the second half of 2018 is expected to hold the 2019 growth rate down.
6. Japan's economy is set to grow by 1% in 2019. This revision mainly reflects additional fiscal support this year, including measures to mitigate the effects of the planned consumption of tax rate increase in October 2019. Growth is projected to moderate to 0.5% in 2020.
7. Economic growth in China, despite fiscal stimulus and no further increase in tariffs from the United States relative to those in force as of September 2018, is projected to slow on an annualized basis in 2019 and 2020. This reflects weaker underlying growth in 2018, especially in the second half and the impact of lingering trade tensions with the United States. The projection for 2019 is slightly stronger reflecting the revised assumption on United States tariffs on Chinese exports while the projection for 2020 is slightly weaker, as the underlying momentum in activity is more subdued.
8. In India, growth is projected to pick up to 7.3% in 2019 and 7.5% in 2020, supported by the continued recovery of investment and robust consumption amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy. Nevertheless, reflecting the recent revision to the national account statistics that indicated somewhat softer underlying momentum, growth forecasts have been revised downward compared with the October 2018 World Economic Outlook by 0.1% point for 2019 and 0.2% point for 2020, respectively.
9. The Dow Jones Industrial Average (DJIA) has increased by approximately 7 because US stock markets are seen as a haven for investment in a sea of gloom.
10. Commodities – The Dow Jones Commodity Index (DJCI) has come down 2%.
11. As a result of these developments, global growth is now projected to be 2.6% in 2019 before gradually rising to 2.8 – 3% thereafter. The slowdown reflects weaker-than-expected trade and investments at the start of the year. Growth in 2020 and beyond is predicted on continued benign global financing conditions and a modest recovery in emerging market and developing economies.

INDIA

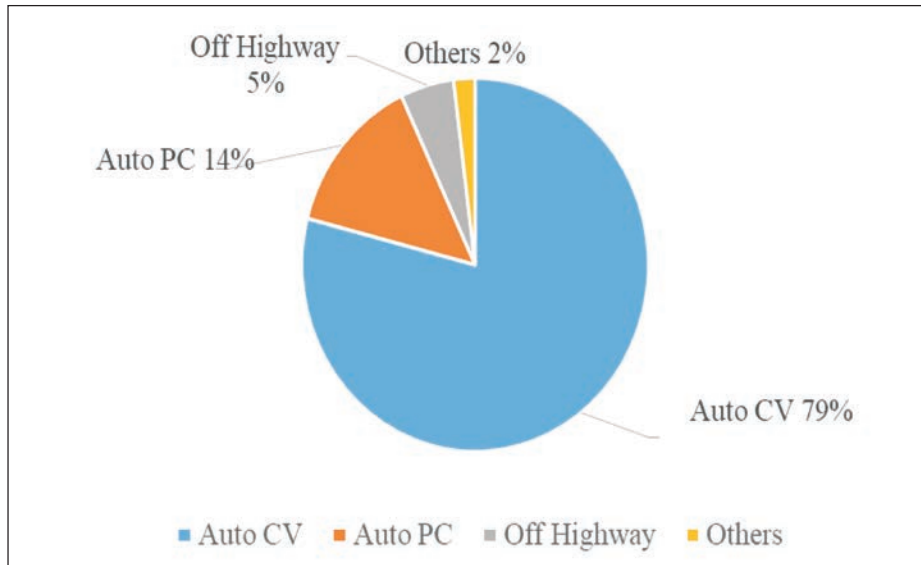
12. India's GDP is estimated to have increased 7.2% in F18 and 7% in F19. India's economy is projected to grow at 7.1% in F20 on the back of strong domestic consumption and investment.
13. During F18 the automotive industry posted growth rates of approximately 0.5% in the car segment and 16% in the CV segment.
14. Steel prices have increased by about 4% compared to the lows in the previous year.
15. The INR ended the year higher by approximately 5.75%, ending the year at a level of ₹ 69.66 per USD. Please refer graph below. Further weakening of the INR is anticipated. However, if FDI inflows are moderate, the pressure on the INR will be relieved.


M M FORGINGS – Achievements

16. The following were important developments witnessed during the year :
 - ❖ Domestic sales crossed record ₹ 420 crore mark!
 - ❖ Export sales crossed record ₹ 460 crore mark!
 - ❖ Total forging sales crossed record ₹ 880 crore mark!
 - ❖ Overall sales reached record of ₹ 919 crore mark!
 - ❖ Record production to 64,000 Tons!
 - ❖ Adding to the volume of existing parts, were the new parts which were developed in the last 2 years.
 - ❖ The company has posted a huge growth of 73% in domestic sales by the development of new parts.
 - ❖ Export sales also grew by 30%.
 - ❖ Changes in steel prices which are in line with international markets are generally being passed on to customers as is the industry practice.
 - ❖ We are focusing on capacity utilisation, to take advantage of the production capacities created in the last 3 years.
 - ❖ Key financial ratios :

Debtors Turnover	:	82 days
Inventory Turnover	:	4.52
Interest Coverage Ratio	:	6.63
Current Ratio	:	1.85
Debt Equity Ratio	:	1.04
Operating Profit Margin (%)	:	11.80%
Net Profit Margin (%)	:	8.84%
17. As highlighted in the Directors' Report, Return On Net Worth is 19.03% and Return On Capital Employed is 15.70% . Total Outside Liabilities to Net Worth stands at 1.76.

18. The details of segment-wise sales distribution are provided below:



Human Resources and Industrial Relations

19. Your company continues to focus on the development of its human resources to improve its performance. The company currently has approximately 2064 employees. It is their invaluable contribution that has primarily resulted in your company’s position of strength in the industry.
20. Focus on a safe working atmosphere, constantly evolving systems for recognition and reward, consistent communication and imparting skills and training – all these focused on meeting customer needs, characterise the HR development of the Company.
21. Every year, each plant of the Company celebrates ‘Founder’s Day’ in a family atmosphere with all employees and their household members.

Health, Safety and Environment

22. 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.
23. The Company ensures compliance with all pollution control regulations. Adequate pollution control equipments have been installed to treat effluents and to control air pollution.

Risk Management

24. 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.
25. 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.
26. The Company has spread its risks by increasing the geographic spread of its customer base. The Company proposes to improve capacity utilization in its existing facilities. Working capital management will receive high priority.

M M FORGINGS – forging ahead

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

Sources :

1. IMF World Economic Output
2. The Economist



8. TRANSFER TO RESERVE

Transfer to General Reserve - ₹ 67 Crores

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

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

10. DIRECTORS

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

Both Shri. Vidyashankar Krishnan, Vice Chairman and Managing Director and Shri. K Venkatramanan, Jt. Managing Director were re-appointed for a period of five years with effect from 1 September 2018.

Shri. N Srinivasan, Shri. V Vaidyanathan and Shri. A. Gopalakrishnan, were re appointed for a period of 5 years with effect from 01 April 2019.

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.

14. RELATED PARTY TRANSACTION

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

All Related Party transactions that were entered into by the Company during the financial year 2018-19, were in compliance of Section 188 of the Companies Act, 2013 and the Rules framed thereunder. There are no "Material" contracts or arrangement or transactions at arm's length basis.

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

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

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

15. CORPORATE SOCIAL RESPONSIBILITY

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

Your Company has fulfilled its obligation towards CSR, by spending a sum of ₹ 137.59 Lakhs during the year.

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

16. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

In terms of provision of section 178 of the Companies Act, 2013 read with Rules prescribed, a policy for the Directors, KMP and other employees has been adopted by the Board of Directors of the

Company analyzing the criteria for determining qualifications, positive attributes and independence of a Director. The said Policy is provided in Company's website link <http://www.mmforgings.com/financials>.

17. PARTICULARS OF EMPLOYEES

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

18. PARTICULARS PURSUANT TO SECTION 197(12) AND THE RELEVANT RULES :

18.1 The ratio of remuneration of each Director to the median remuneration of the employees:

Name	Ratio
Shri. Srinivasan. N	3.05 : 1
Shri. Vaidyanathan. V	1.63 : 1
Shri. A.Gopalakrishnan	1.22 : 1
Ms. Kavitha Vijay	1.22 : 1
Shri. Vidyashankar Krishnan	234.00 : 1
Shri. K.Venkatramanan	233.83 : 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	1.92 %
Shri. Vaidyanathan. V	-4.17 %
Shri. A.Gopalakrishnan	-
Ms. Kavitha Vijay	-
Shri. Vidyashankar Krishnan	34.45 %
Shri. K.Venkatramanan	7.95 %
Smt. J.Sumathi	7.95 %
Shri R.Venkatakrishnan	1.98 %

18.3 Percentage increase in median remuneration of employees is 64.60% in the financial year 2018-19.

18.4 The number of permanent employees on the rolls of Company : 2,064

18.5 Explanation of relationship between average increase in remuneration and company performance : PAT - (last year) - ₹ 6,850.56 Lakhs; PAT - (this year) - ₹ 8,135.07 Lakhs. Increase 18.75% against which, the average increase in remuneration is 34%.

18.6 Comparison of remuneration of each KMP against performance of company

Name	Designation	CTC in ₹	% Increase	PAT ₹ in Lakhs	% in PAT
Vidyashankar Krishnan	CEO	57,509,798	31.08	8,135.04	18.75
J.Sumathi	Company Secretary	1,134,894	7.95		
R.Venkatakrishnan	CFO	1,601,283	1.98		

18.7 Variation in market cap/net worth of company:

Date	Issued Capital (Shares)	Closing market Price per share in ₹	EPS	PE Ratio	Market Capitalisation ₹ in Crores
31.03.2018	12,070,400	1038	56.76	18.29	1,252.90
31.03.2019	12,070,400	1,038.00	56.76	18.29	1,252.91
31.03.2019 (post bonus issue)	24,140,800	544.00	33.73	16.13	1,313.26
Increase / (Decrease) (post bonus issue)	12,070,400	-494	-23.03	-2.16	60.35
% of Increase / (Decrease) (post bonus issue)	100%	-47.59%	-40.57%	-11.81%	4.82%



- 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 35.90%.
Average Increase in Remuneration for KMP and Senior Management is 31.10%.
- 18.9 Key parameters for any variable remuneration of Directors:
Directors are paid Commission. However, the overall managerial remuneration payable is subject to the provisions of the Companies Act, 2013.
- 18.10 Ratio of remuneration of highest paid Director to other employees who gets remuneration more than highest paid Director. – NOT APPLICABLE.
- 18.11 Is remuneration is as per remuneration policy of the Company: YES.
- 19 SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATIONS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:** Not applicable.
- 20 MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED SINCE 31.03.2019 TILL THE DATE OF THE REPORT:**
Not applicable
- 21 DIRECTORS RESPONSIBILITY STATEMENT:**
The Directors have fulfilled their responsibility for the preparation of the accompanying financial statements by taking all reasonable steps to ensure that -
- 21.1 In the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- 21.2 The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31 March 2019 and of the profit or loss of the company for that period ended on that date;
- 21.3 The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- 21.4 The Directors had prepared the annual accounts on a going concern basis.
- 21.5 The Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- 21.6 The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- 22 ESTABLISHMENT OF VIGIL MECHANISM**
The Company has in place a vigil mechanism pursuant to which a Whistle Blower Policy has been in vogue. The Whistle Blower Policy covering all employees and Directors is hosted on the Company's web, <http://www.mmforgings.com/financials>.
A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.
- 23 ADEQUACY OF INTERNAL FINANCIAL CONTROL**
The Company had laid down Internal Financial Controls and such internal financial controls are adequate with reference to the Financial Statements and were operating effectively.
It also ensures the orderly efficient conduct of its business, including adherence to Company's policies, the safe guarding of its assets, the prevention and detention of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information during the year, such controls were tested and bi-material weakness in the operations were observed.
- 24 CORPORATE GOVERNANCE REPORT**
The guidelines evolved by SEBI were applicable to the company. The company is committed to ethical management and excellence in performance. Details are provided in Annexure III.



25 ANNUAL RETURN

An extract of Annual Return as on 31 March 2019 pursuant to Section 92 (3) of the Companies Act, 2013 and forming part of the report is attached separately.

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

1. Nomination and Remuneration Committee of the Board had prepared and sent through its Chairman draft parameterized feed back forms for evaluation of the Board, Independent Directors and Chairman.
2. Independent Directors at a meeting without anyone from the non-independent Directors and management, considered/evaluated the Board's performance, performance of the Chairman and other non-independent Directors. Their meeting was held on 16 November 2018.
3. The Board subsequently evaluated performance of the Board, the Committees and Independent Directors (without participation of the relevant Director)
4. i) Observations of board evaluation carried out for the year:

The main inputs received from the Directors, covering various aspects of the Boards functioning was with regard to adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non Independent Directors and Top Managerial Personnel were carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.
- ii) Previous year's observations and actions taken - NIL
- iii) Proposed actions based on current year observations - NIL

27 FAMILIARISATION OF PROGRAMME ARRANGED FOR INDEPENDENT DIRECTORS

- M M Forgings Limited has put in place a system to familiarise the independent Directors about the company, its products, business and the on-going events relating to the company.
- Independent Directors of the Company are made aware of their role, responsibilities and liabilities at the time of their appointment / re-appointment , through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.
- They are also made aware of Company's Board and Board Committee framework, policies and procedures.
- As part of Board Discussions, presentations on business of the Company are made to the Directors from time to time.
- Important announcements and press releases for various news related to the company are forwarded to the Directors from time to time.
- Each member of the Board, including the independent Directors, have been given complete access to any information relating to the Company.
- You may also view the company website <http://www.mmforgings.com/financials> in this regard.

28 AUDITORS:

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

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

29. SECRETARIAL AUDIT REPORT

Pursuant to the requirements of the Companies Act, 2013, the Company has appointed V.Shankar, Practicing Company Secretary (C.P. No. 12974) as the Secretarial Auditor for the financial year 2018-19 whose report of 28 May 2019 is attached separately to this report.



30. COST AUDITOR

Pursuant to the provisions contained in Rule 14 of the Companies (Audit and Auditors) Rules, 2014, Shri. S. Hariharan (CP No. 20864) has been appointed as Cost Auditor for the financial year 2019-20.

31 SUBSIDIARY COMPANY - DVS INDUSTRIES PRIVATE LIMITED

Your company has acquired 100 % majority stake in DVS Industries Private Limited for cash consideration, who is a leading manufacturer of crank shafts, automobile crank shafts and diesel engines.

With this acquisition, your company will enhance synergies between it's wide ranging capability in forgings and machining and DVS Industries' long standing expertise in machining of crankshafts.

Incorporated in 1992, DVS Industries (with the paid-up share capital currently being ₹ 1,59,29,900/ and turn-over of ₹18.06 Crores in FY 2018) is a North India based player with its manufacturing unit located in Pantnagar, Uttarakhand. DVS Industries is well equipped with robust manufacturing processes, precision equipment, in house tool room inspection facilities, well trained personnel etc.

32 EXPLANATION TO AUDITOR'S REMARK

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

33 SAFETY

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

34 DEPOSITS:

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

35 ENERGY, TECHNOLOGY & FOREIGN EXCHANGE:

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

36 DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

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

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

During the year under review, pursuant to the new legislation, 'Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace Act, 2013' introduced by the Government of India, which came into effect from 09 December 2013, the Company has framed a Policy on Prevention of Sexual Harassment at Workplace. There were no cases reported during the year under review under the said Policy.

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

No. of complaints filed during the year – 0

No of complaints disposed of during the year – 0

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

38 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 : 28 May 2019

Vidyashankar Krishnan
Chairman of this meeting
(DIN 00081441)

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 2019.

(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 204.95 lakh units from its Wind and 28.01 lakh units from Solar farms equivalent to approximately 18915 tons of CO₂ from Wind and 2585 tons of CO₂ from Solar, totalling a saving of 21,500 tons of CO₂ in the year.
4. Impact of measures at 1, 2 & 3 for reduction of energy consumption and consequent impact on the cost of production of goods: It is not possible to determine the figure.

	2018-19	2017-18
1 ELECTRICITY		
a. Purchased:		
Units	7,69,99,739	6,17,27,144
Total Amount. (₹)	65,54,97,733	51,01,25,424
Rate / Unit (₹)	8.51	8.26
b. Own Generation:		
Units	5,74,488	1,64,143
Units per ltr.	3.86	3.03
Cost / Unit (₹)	20.22	21.92
2. FUEL OIL		
Quantity (in ltrs)	34,21,846	26,69,009
Total amount (₹)	14,18,72,470	7,86,38,729
Average Rate (₹/ltr.)	41.46	29.46
3 CONSUMPTION PER UNIT OF PRODUCTION		
a. Electricity	Units	1215
b. Fuel Oil	Litres	54

Note: No standards are available for comparison.

(B) TECHNOLOGY ABSORPTION:

RESEARCH AND DEVELOPMENT (R & D)

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

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



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

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

1	Activities relating	Exports at ₹ 46,355.02 lakhs form a significant part of the company's turnover (₹ 35,559.47 lakhs in 2017-18)
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 (₹ 3,45,46,26,005 IN 2017-18)	Earned: ₹ 4,91,14,62,532 a. Used: ₹ 1,21,49,10,723 (₹ 68,15,92,660 IN 2017-18)

For and On behalf of the Board

Place : Chennai
Date : 28 May 2019

Vidyashankar Krishnan
Chairman of this meeting
(DIN 00081441)

**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 31.03.2019)

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 5,75,09,798	B.E.,M.S.	29	25.06.1990	53	Nil	11.27%
2	Shri. K.Venkatramanan DIN : 00823317	Jt. Managing Director 5,74,67,437	B.E.	27	24.01.1992	49	Nil	10.71%
b) Employed for a part of the year and were in receipt of remuneration at a rate of not less than ₹ 8,50,000 per month								
None								

Note:

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

For and on behalf of the Board

Place : Chennai
Date : 28 May 2019

Vidyashankar Krishnan
Chairman of this meeting
(DIN 00081441)

Annexure 3 - 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 2019 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	3	No
Shri V. Vaidyanathan	4	3	No
Shri Vidyashankar Krishnan	4	4	Yes
Shri K. Venkatramanan	4	4	No
Shri. A. Gopalakrishnan	4	3	Yes
Smt. Kavitha Vijay	4	3	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- 28 May 2018, 13 August 2018, 12 November 2018 and 12 February 2019.

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, 2019. A certificate from Shri Vidyashankar Krishnan, Vice Chairman and Managing Director to this effect is given below. The said Code is also posted on the website of the Company '<http://www.mmforgings.com/financials>
- 2.8. **Prevention of Insider Trading:**
The Company has framed a code of Conduct for Prevention on trading based on SEBI (Insider Trading) Regulations. This Code is applicable to all Board Members / Officers / Designated Employees. This Code ensures the prevention of dealing in shares by persons having access to unpublished price sensitive information.
- 2.9. **Disclosure of relationship between Directors interse:**
Shri. Vidyashankar Krishnan, Vice Chairman and Managing Director and Shri. K. Venkatramanan, Joint Managing Director are brothers.
- 2.10. **No. of shares held by Non- Executive Directors:**
Shri. V. Vaidyanathan -10500 shares
Shri A.Gopalakrishnan – 1600 shares.
- 2.11. Weblink where details of familiarisation programmes imparted to Independent Directors is disclosed: <http://www.mmforgings.com/financials>
- 2.12. The table showing the expertise of the Directors:
In the table below, specific areas of focus or expertise of individual Board Member, have been highlighted. However, the absence of a mark, against a member's name, does not necessarily mean the member does not possess the necessary qualification other skill.
- | Name of the Director | Area of expertise | | | | | |
|-----------------------|-------------------|------------|-------|------------|------------------------------|---------------------|
| | Financials | Leadership | Legal | Technology | Board service and Governance | Sales and marketing |
| N Srinivasan | yes | yes | - | yes | yes | yes |
| V Vaidyanathan | yes | yes | - | yes | yes | yes |
| Vidyashankar Krishnan | yes | yes | yes | yes | yes | yes |
| K Venkatramanan | - | yes | - | yes | yes | yes |
| A Gopalakrishnan | yes | - | - | yes | yes | yes |
| Kavitha Vijay | yes | - | yes | - | yes | - |
- 2.13. **Confirmation Certificate:**
This is to affirm that all the independent directors fulfill the conditions specified in SEBI LODR and are independent of the management.
- 3. Audit Committee (AC):**
- 3.1. **Terms of reference:** The terms of reference of the AC are in accordance with Regulations 18 of SEBI (LODR) and the Committee deals with the following:
- 3.1.1. Reviewing the Company's internal control system, audit procedures, compliance with statutory and regulatory requirements, financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and correct.
- 3.1.2. It reviews quarterly, half yearly and annual financial statements with the management before submission to the Board with special emphasis on accounting policies and practices and legal requirements concerning financial statements
- 3.1.3. Recommending to the Board, the appointment, remuneration and terms of appointment and removal of Statutory Auditors and fixing their fees.
- 3.1.4. Risk Management analysis
- 3.1.5. Reviewing the auditor's independence and performance and also the effectiveness of the audit process.
- 3.1.6. Management Discussion and Analysis of financial condition and results of operations;
- 3.1.7. Statement of significant related party transactions.
- 3.1.8. The appointment and terms of remuneration of the chief Internal Auditor.
- 3.1.9. Reviewing the functioning of the whistle blower mechanism.
- 3.1.10. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary.
- 3.1.11. Internal audit reports relating to internal control weaknesses.
- 3.1.12. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
- 3.1.13. Any other terms of reference as may be included from time to time in accordance with SEBI (LODR)
- 3.2 **Date of Meetings:**
During the year under review, the Committee had 4 meetings held as follows:
28 May 2018, 13 August 2018, 12 November 2018 and 12 February 2019.

- 3.3 **Formation, Composition and attendance of AC Meetings:**
 3.3.1 The AC of the Board was formed 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. Attendance

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

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

4 Stakeholders Relationship Committee :

- 4.1 **Terms of reference:** The terms of reference of the Stakeholders Relationship Committee are in accordance with Regulations 20 of SEBI (LODR) and the Committee deals with the following:
 4.1.1 Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings/ unclaimed bonus shares etc.
 4.1.2 Review of measures taken for effective exercise of voting rights by shareholders.
 4.1.3 Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent.
 4.1.4 Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
 4.1.5 Any other terms of reference as may be included from time to time in accordance with SEBI (LODR)

4.2 **Date of Meetings:**

During the year under review, the Committee had 4 meetings held as follows:
 28 May 2018, 13 August 2018, 12 November 2018 and 12 February 2019.

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

- 4.3.1 The Committee of the Board was formed on 16 June 2001. The Committee was reconstituted on 01 April 2015.
 4.3.2 **Composition:**
 Non – Executive Chairman – Shri. V. Vaidyanathan
 Other members: Shri. Vidyashankar Krishnan, Shri. K. Venkatramanan, Shri. A.Gopalakrishnan and Smt. Kavitha Vijay.
 4.3.3. **Attendance:**

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

- 4.2. Name and Designation of the Compliance Officer: Smt. J. Sumathi, Company Secretary.
 4.4 No of Shareholder complaints received during the year: 0
 4.5 No. not solved to the satisfaction of shareholders : 0
 4.6 No. of Pending Complaints : 0
 4.7 No. of pending share transfers: There are no share transfers pending with the company.
 4.8 For Redressal of Investor complaints, complaints can be mailed to sumathi@mmforgings.com

5 Share Transfer Committee:

The Share Transfer Committee was formed on June 16, 2001. It considers transfer / transmission of shares issued by the Company, issue of duplicate certificates and certificates after split/ consolidation / renewal. During the year the Committee met 27 times.

6 Corporate Social Responsibility Committee:

- 6.1 **Terms of reference:** The CSR Committee, aims to ensure that corporate social responsibility with a positive impact on people and communities.
 6.2 **Date of Meeting:**
 During the year under review, the Committee had 4 meetings held as follows:
 28 May 2018, 13 August 2018, 12 November 2018 and 12 February 2019.

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

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

6.3 Attendance:

Name	No. of CSR Meetings	No. of CSR meetings attended
Shri. Vidyashankar Krishnan (Chairman)	4	4
Shri. V Vaidyanathan	4	3
Shri. K Venkatramanan	4	4
Shri. A Gopalakrishnan	4	3

6.4 **Annual Report on CSR:**

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

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

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

6.1.3 Average net profits of the Company for last three financial years : ₹ 68.79 Crores.

6.1.4 Prescribed CSR expenditure (2% of the amount as in item no. 3 above) : ₹ 137.59 Lakhs for F19.

6.1.5 Details of CSR spent during the financial year :

6.1.5.1 Total amount spent for the financial year : ₹ 138.19 Lakhs

6.1.5.2 Amount unspent if any : NIL

6.1.5.3 Excess spent: ₹ 0.60 Lakhs

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

#	CSR projects or activities identified	Sector in which the Project is covered	Projects or programs 1) Local area or other (2) Specify the State, the district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects / programs Sub-heads: (1) Direct on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period (₹ in Lakhs)	Amount spent : Direct or through implementing agency
1	Eradicating Hunger and Poverty	Livelihood	Karnataka Tamil Nadu Uttaranchal	7.00	6.25	6.25	Direct
2	Education	Education	Maharashtra Tamil Nadu	62.00	61.87	61.87	Direct
3	Combating Diseases	Health	Delhi Karnataka Tamil Nadu	19.30	19.30	19.30	Direct
4	Social Business Projects	Social Business	Tamil Nadu	50.00	49.27	49.27	Direct
5	Gender equality & Empower Women	-	Tamil Nadu	1.50	1.50	1.50	Direct
TOTAL				139.80	138.19	138.19	

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

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

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

Vidyashankar Krishnan
Chairman

V.Vaidyanathan
Director

7. Nomination and Remuneration Committee:

7.1 Board's Policy:

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

7.2 Date of Meetings:

During the year under review, the Committee had 4 meetings held as follows:
28 May 2018, 13 August 2018, 12 November 2018 and 12 February 2019.

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

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

7.3.2 Composition:

Non – Executive Chairman – Shri. V. Vaidyanathan

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

7.3.3 Attendance:

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

7.4 Performance evaluation criteria for Non Executive Directors:

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

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

Matters taken into consideration for performance evaluation.

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

8 Whistle Blower Protection Committee:

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

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

8.2 Date of Meetings:

During the year under review, the Committee had 4 meetings held as follows:
28 May 2018, 13 August 2018, 12 November 2018 and 12 February 2019.

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

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

8.3.2 Composition:

Shri. Vidyashankar Krishnan (Chairman),

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

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

9 Directors' Remuneration:
9.1 Remuneration of Vice Chairman and Managing Director and Joint Managing Director

	Shri. Vidyashankar Krishnan		Shri. K. Venkatramanan	
	2019	2018	2019	2018
Salary and allowances	2,60,23,281	2,00,35,875	2,60,23,281	1,90,44,000
Perquisites:				
Provident Fund	19,36,320	15,06,588	19,36,320	15,06,588
Superannuation	23,18,900	17,85,396	23,18,900	17,85,396
Gratuity Insurance	5,81,020	4,88,003	5,81,020	4,88,003
Others	14,50,277	4,29,812	14,07,916	1,17,304
Commission on Profits	2,52,00,000	1,98,00,000	2,52,00,000	1,98,00,000
Total	5,75,09,798	4,40,45,674	5,74,67,437	4,27,41,291

9.2 Remuneration of Non – Executive Directors:

		Commission in ₹	Sitting Fees in ₹	Total in ₹
Shri. N. Srinivasan	2017-18	7,50,000	30,000	7,80,000
	2018-19	7,50,000	45,000	7,95,000
Shri. V.Vaidyanathan	2017-18	4,00,000	80,000	4,80,000
	2018-19	4,00,000	60,000	4,60,000
Shri. A Gopalakrishnan	2017-18	3,00,000	80,000	3,80,000
	2018-19	3,00,000	60,000	3,60,000
Smt. Kavitha Vijay	2017-18	3,00,000	52,500	3,52,500
	2018-19	3,00,000	52,500	3,52,500

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

9.3 All pecuniary relationship of Non Executive Directors : Nil
9.4 Criteria of making payments to Non Executive Directors:

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

10 Subsidiary Company
10.1 DVS Industries Private Ltd:

The company has acquired 100% stake in DVS Industries Private Limited for cash consideration, a leading machinist of crank shafts, automobile crank shafts and diesel engines. This acquisition was decided in the Board Meeting held on 05 February 2018.

11 General Meetings:
11.1 Location and time, where last three AGMs held:

Financial year	Date	Time	Location
2015-16	06 Sept 2016	12 Noon	The Music Academy, Chennai
2016-17	26 Sept 2017	11.45 AM	The Music Academy, Chennai
2017-18	11 July 2018	11.30 AM	The Music Academy, Chennai
2018-19	29 Aug 2019	11.30 AM	The Music Academy, Chennai

11.2 Special Resolutions passed in the previous 3 AGMs:
11.2.1 Resolution passed in the AGM held on 11 July 2018:

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

- Re-appointment of Shri V.Vaidyanathan (DIN : 0081792) as an Independent Director for a period of 5 years, with effect from 01 April 2019.
- Re-appointment of Shri A Gopalakrishnan (DIN : 06414546) as an Independent Director for a period of 5 years, with effect from 01 April 2019.

12 **Disclosures:**

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

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

12.3 Directors and Key Managerial Personnel are considered to be interested to the extent of their shareholding in the Company and following is the status of their shareholding as on 31 March 2019.

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

12.4 Compliances by the Company:

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

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

12.6 Disclosures regarding appointment or reappointment of Director:

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

Given below is the brief resume of the Director:

Mr. Vidyashankar Krishnan is a Post Graduate in Engineering from IIT, Chennai with 26 years of experience in the Company, serving on the Board since April 1997. In February 1999 he became the Managing Director. His accomplishments include major expansion at Viralimalai Plant, setting up of new Plant near Chennai, setting up of Wind farm, Solar Power , acquisition of DVS Industries and also Company's foray into machined components. The Company has posted considerable growth under his stewardship.

With effect from 01 September 2018, he was reappointed as Managing Director for a period of 5 years and continues to be designated as Vice Chairman and Managing Director.

12.7 Related party Disclosure:

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

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

Sr. no.	In the accounts of	Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year.
1	Holding Company	The Company has made advance to the tune of ₹ 84.05 Crores to its Subsidiary Company, DVS Industries Private Limited, repayable at prevailing rates.

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

13 **Means of Communication**

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

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

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

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

14 General Shareholders Information :

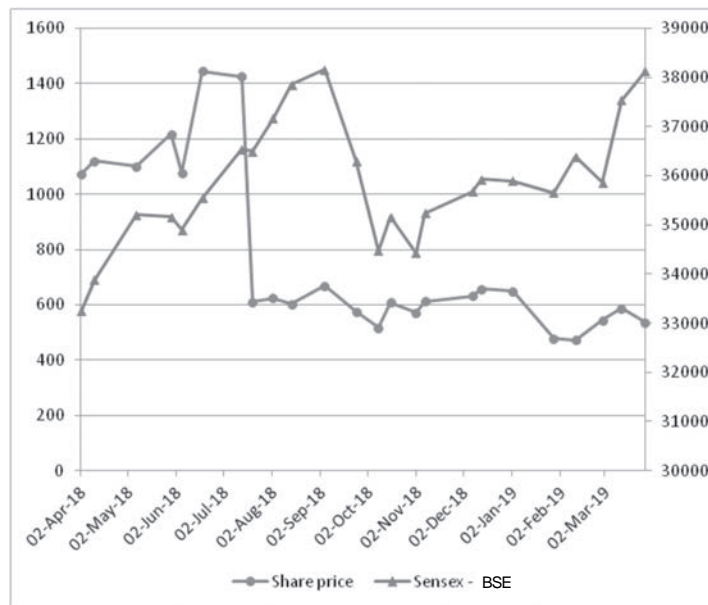
- 14.1 Date, time and venue of the Annual General Meeting :
Annual General Meeting is proposed to be held at Music Academy, (Mini Hall), Old No. 306, New No. 168, TTK Road, Royapettah, Chennai – 600014 on Thursday, 29 August 2019 at 11.30 A.M
Financial year : 01 April 2018 to 31 March 2019.
- 14.2 Record date during the year : 19 July 2018 (for issue of Bonus shares) and 25 February 2019 (for declaration of Dividend).
- 14.3 Listing on Stock Exchanges :
The shares of the Company are listed at:
- 14.3.1 Bombay Stock Exchange Limited :
Rotunda Building, P.J.Towers, First Floor, New Trading Wing, Dalal Street, Mumbai –400 001.
Annual Listing fees has been paid as on date.
- 14.3.2 National Stock Exchange of India Ltd :
'Exchange Plaza', Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051.
Annual Listing Fees has been paid as on date.
- 14.4 Stock Exchange Security Code :Physical :
Bombay Stock Exchange Scrip Code:522241. Name of the Scrip : MMFORG
National Stock Exchange Scrip Code: MMFL. Name of the Scrip : MMFL – EQ
- 14.4.1 The ISIN No. of the Company's equity shares in Demat form : INE227C01017.
- 14.4.2 Depository Connectivity : National Securities Depository Limited, Central Depository Services (India) Limited.
- 14.5 Registrar and Transfer Agents :
Cameo Corporate Services Limited, Unit: M M Forgings Limited, "Subramanian Building" Fifth Floor, No. 1, Club House Road, Chennai – 600 002.
044-40020723; 044-40020726.
They are the Common Agency for all Investor Servicing activities relating to both electronic and physical segments.
- 14.6 Share Transfer System :
- The Share Transfer Agent acknowledges and executes transfers of securities. The Share Transfer Committee approves the transfers etc.
 - They arrange for issue of dividend. They reconcile the Dividend paid with that of the list of the shareholders.
 - They also accepts, deals with and resolves complaints of the shareholders. Shareholder complaints are given top priority by the Company and are replied to, promptly by the Secretarial Department and Share Transfer Agents.
 - Remat requests are processed within the time prescribed.
 - Demat requests are processed within the time prescribed.
 - The Company's Registrar and Share Transfer Agents, Cameo Corporate Services Limited have adequate infrastructure to process the share transfers.
 - Reminders are sent by Share Transfer Agents in case of Undelivered Bonus shares.
- 14.7 Pattern of shareholding as on 31 March 2019 :

No. of equity shares held	No. of shareholders	% to total	No. of shares held	% of shareholding
1-500	8,320	85.96	732,672	3.04
501-1000	801	8.27	622,507	2.57
1001-2000	275	2.84	424,252	1.76
2001-3000	62	0.64	157,998	0.66
3001-4000	36	0.37	135,836	0.56
4001-5000	21	0.22	99,659	0.41
5001-10000	68	0.71	487,594	2.02
10000 & above	96	0.99	21,480,282	88.98
TOTAL	9,679	100.00	24,140,800	100.00

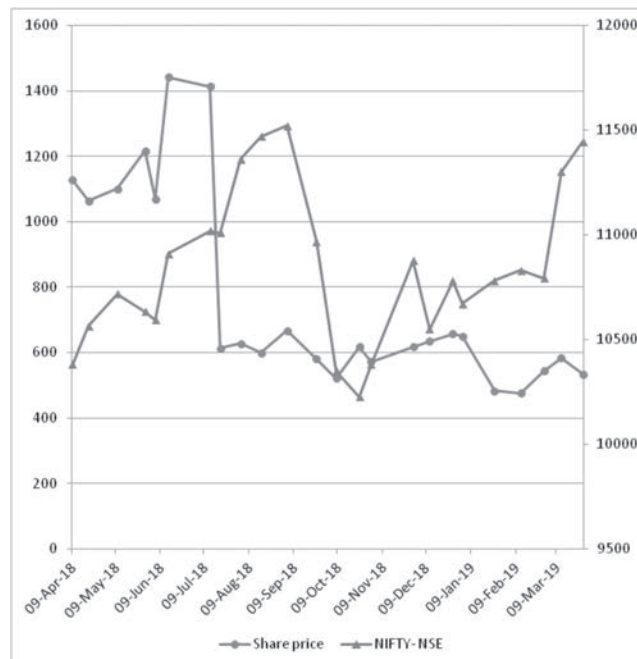
14.8 Shareholding pattern as on 31 March 2019 :

Category	No. of Share-holders	% to total	No. of shares held	% of share-holding
Resident Indians	9,138	94.41	4,392,587	18.20
FII	1	0.01	200	0
Financial Institutions/ Banks	2	0.02	3,551	0.01
NRI's	268	2.77	126,107	0.52
Domestic Company	206	2.13	447,587	1.85
Trust	2	0.02	73,647	0.31
Mutual Funds	35	0.36	5,139,774	21.29
FPI	14	0.15	289,961	1.20
Alternative Inv Fund	2	0.02	65,078	0.27
IEPF	1	0.01	2,418	0.01
Promoters	10	0.10	13,599,890	56.34
Total	9,679	100.00	24,140,800	100.00

14.9 Share Performance BSE vs SENSEX



14.10 Share Performance NSE vs Nifty





14.11 Share price data

Month	Bombay Stock Exchange		National Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr -18	1,073	1,121	1,128	1,064
May -18	1,100	1,218	1,100	1,217
Jun-18	1,078	1,446	1,069	1,442
Jul -18	1,426	610	1,414	613
Aug -18	624	602	627	599
Sep-18	669	576	667	581
Oct -18	518	609	522	617
Nov- 18	572	613	572	617
Dec-18	632	657	634	657
Jan -19	650	478	650	483
Feb -19	472	545	476	544
Mar-19	588	536	584	534

14.12 Dematerialisation of shares :

23698728 Shares (98.17%) dematerialized as on 31 March 2019.

Promoters: 13,599,890 (56.34%); Public: 10,098,838 (41.84%)

14.13 Details of public funding obtained in the last three years

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

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

As on 31 March 2019 the company has not issued these types of securities

14.15 Plant Location :

Plant 1 - Singampunari – 630 502, Tamil Nadu

Plant 2 - Viralimalai – 621 316, Tamil Nadu

Plant 4 - Mathur Post – 602 105 Tamil Nadu

Plant 7 - Industrial Automation Division - 600 058, TN

Plant 8 - Rudrapur - 263 153 Uttarkand

(DVS Industries Pvt Ltd, Subsidiary Company)

Plant 5 - Windfarms

W1 - Panakudi - 627109 Tamil Nadu

W2 - Theni District - 625 531 Tamil Nadu

W3 - Tenkasi - 627 811 Tamil Nadu

W4 - Kallapalayam 641 201 Tamil Nadu

Plant 6 - Solar sites

S1 - Aruppukottai - 626105 Tamil Nadu

S2 - Viralimalai - 621 316 Tamil Nadu

14.16 Address for correspondence :

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

Email: mmforge@mmforgings.com

14.17 Credit Ratings:

Facilities	Amount (₹ in Crores)	Rating
Long term Bank Facilities	619.91 (enhanced from Rs.228.00 crore)	CARE A+; Negative (Single A Plus; Outlook: Negative)
Short term Bank Facilities	10.00	CARE A1+ (A One Plus)
Long term /Short-term Bank Facilities	182.00 (enhanced from Rs.147.00 crore)	CARE A+; Negative/CARE A1+ (Single A Plus; Outlook: Negative/A One Plus)
Total	811.91 (Rupees Eight hundred eleven crore and Ninety one lakh only)	

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



- 14.19 Exclusive Email id for redress of Investor Complaints : sumathi@mmforgings.com
- 14.20 Website : www.mmforgings.com
- 14.21 Details of Bonus shares unclaimed:
- 14.21.1 Details of Bonus shares in the suspense account :
- No. of shareholders at the beginning of the year – 135
- No. of outstanding shares at the beginning of the year – 23,100 shares
- No. of shares Credited to suspense account (Bonus issue) on July 2018- 23,100 shares (Total – 46,200 shares)
- No. of shareholders who approached the issuer for transfer of these shares during the year –3
- No. of shareholders to whom shares were transferred – 3
- No. of shares transferred during the year – 700
- No. of shareholders at the end of the year – 132
- No. of outstanding shares at the end of the year – 45,500 shares
- 14.21.2 Reminder letters have been sent to those shareholders who have not claimed their bonus shares.
- 15 Shares Transferred to IEPF account of the Government:
- 15.1 Shares transferred under IEPF account of the government (taken the basis of 2011 dividend unclaimed) – There were no common shareholders to those who had not encashed the Dividend for Seven consecutive years. Hence, no shares were transferred to IEPF account.
- 15.2 The list of shareholders, whose shares have been transferred to IEPF account (for the earlier years), is available at the Company's website, <http://www.mmforgings.com/financials>.
- 16 Other Disclosures:
- 16.1 Disclosures under materially significant related party transactions that may have potential conflict with the interests of the company : None
- 16.2 Details of Non Compliance, Penalties, Structures imposed on any matter connected with Capital market, during the last three years: Nil
- 16.3 The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for Directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the audit committee. The said policy has also been put up on the website of the Company.
- 16.4 All mandatory requirements have been disclosed and some non mandatory requirements have been adopted.
- 16.5 Policy for determining material subsidiary is disclosed in Company's website, <http://www.mmforgings.com/financials>
- 16.6 Policy for determining Related Party Transaction and policy for determining 'material' subsidiaries is disclosed in Company's website, <http://www.mmforgings.com/financials>
- 16.7 Commodity price risk and hedging activities : No hedging activities have been undertaken for commodity risk.
- 16.8 The Company has duly fulfilled the following discretionary requirements as described in Schedule II Part E of the SEBI Listing Regulations:
- 16.9 The Company has separate persons to the post of Chairperson and CEO (Clause D)
- 16.10 The necessary disclosures of the Compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 have been complied.
- 17 Total fees for all services, paid by the Company and its subsidiary company on a consolidated basis to the statutory auditor: ₹ 20.36 lakhs

For and On behalf of the Board

Place : Chennai
Date : 28 May 2019

Vidyashankar Krishnan
Chairman of this meeting
(DIN 00081441)



Annexure 4 – Auditors’ Certificate on Corporate Governance

To
The Members of M M Forgings Limited

We have examined the compliance of conditions of Corporate Governance by M M Forgings Ltd (‘the Company’) for the year ended 31st March 2019, 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 : 28 May 2019

CEO and CFO Certification

We hereby certify that

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

1. We have reviewed the financial statements and cash flow statement for the year ended 31st March 2019 and to the best of our knowledge and belief :
 - 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) these statements together present a true and fair view of the Company’s affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2019 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 : 28 May 2019

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 2019.

For M M Forgings Limited

Place : Chennai
Date : 28 May 2019

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

**ANNEXURE IV TO DIRECTORS' REPORT****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31 March 2019

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

I REGISTRATION AND OTHER DETAILS:

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

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

Category of the director	No. of Shares held at the beginning of the year – 31.03.2018				No. of Shares held at the end of the year – 31.03.2019				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
A. Individuals/Hindu Undivided family	780745	0	780745	6.4682	1561490	0	1561490	6.4682	0.0000
B. Central Government /State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
C. Bodies Corporate	3366600	0	3366600	27.8913	6733200	0	6733200	27.8913	0.0000
D. Financial Institutions/Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
E. Any Other									
Directors and their Relatives	2652600	0	2652600	21.9760	5305200	0	5305200	21.9760	0.0000
	2652600	0	2652600	21.9760	5305200	0	5305200	21.9760	0.0000
Sub - Total (A)(1)	6799945	0	6799945	56.3357	13599890	0	13599890	56.3357	0.0000


j) Category-wise Share Holding

Category of the director	No. of Shares held at the beginning of the year-31.3.2018				No. of Shares held at the end of the year-31.3.2019				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Foreign									
A. Individuals (Non-resident Individuals/ Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
B. Bodies Corporate	0	0	0	0.0000	0	0	0	0.0000	0.0000
C. Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
D. Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
E. Any Other									
Sub - Total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total Share Holding Of promoter And Promoter group (A) = (A)(1)+(A)(2)	6799945	0	6799945	56.3357	13599890	0	13599890	56.3357	0.0000
B. Public Shareholding									
1. Institutions									
A. Mutual Funds/UTI	2250234	2400	2252634	18.6624	5134974	4800	5139774	21.2908	2.6283
B. Financial Institutions /Banks	2592	0	2592	0.0214	3551	0	3551	0.0147	-0.0067
C. Central Government /State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
E. Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
F. Foreign Institutional investors	0	100	100	0.0008	0	200	200	0.0008	0.0000
G. Foreign Venture capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
H. Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
I. Any Other									
Alternate Investment Funds	57500	0	57500	0.4763	65078	0	65078	0.2695	-0.2067
Foreign Portfolio investor (Corporate) Category II	130402	0	130402	1.0803	289961	0	289961	1.2011	0.1207
	187902	0	187902	1.5567	355039	0	355039	1.4707	-0.086
Sub - Total (B)(1)	2440728	2500	2443228	20.2414	5493564	5000	5498564	22.7770	2.5355
2. Non-institutions									
A. Bodies Corporate	263823	3000	266823	2.2105	441887	5700	447587	1.8540	-0.3564
B. Individuals -									
I Individual Shareholder sholding Nominal Share Capital upto Rs. 1 Lakh	1267298	150096	1417394	11.7427	1990107	239436	2229543	9.2355	-2.5071
II Individual Shareholder sholding Nominal Share Capital in Excess Of Rs. 1 Lakh	828455	85200	913655	7.5693	1833324	170400	2003724	8.3001	0.7307
C. Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
D. Any Other									
Clearing Members	4836	0	4836	0.0400	2619	0	2619	0.0108	-0.0292
Hindu Undivided Families	91000	0	91000	0.7539	0	0	0	0.0000	-0.7539
Iepf	1209	0	1209	0.0100	2418	0	2418	0.0100	0.0000
Non Resident Indians	65708	10400	76108	0.6305	108307	17800	126107	0.5223	-0.1081
Resident huf	0	0	0	0.0000	152965	3736	156701	0.6491	0.6491
Trusts	56202	0	56202	0.4656	73647	0	73647	0.3050	-0.1605
Others	218955	10400	229355	1.9001	339956	21536	361492	1.4974	-0.4027
Sub - Total (B)(2)	2578531	248696	2827227	23.4228	4605274	437072	5042346	20.8872	-2.5355
Total Public Shareholding (b) = (B)(1)+(B)(2)	5019259	251196	5270455	43.6642	10098838	442072	10540910	43.6642	0.0000
Total (A)+(B)	11819204	251196	12070400	100.0000	23698728	442072	24140800	100.0000	0.0000

**i) Category-wise Share Holding**

Category of the director	No. of Shares held at the beginning of the year-31.3.2018				No. of Shares held at the end of the year - 31.3.2019				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Shares Held By Custodians And Against which Depository Receipt Shave Been Issued									
Promoter And Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total Custodian (C)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Grand Total (A)+(B)+(C)	11819204	251196	12070400	100.0000	23698728	442072	24140800	100.0000	0.0000

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year - 31.3.2018			Shareholding at the end of the year - 31.3.2019			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	SYNMAX CONSULTANTS & TRADING PVT LTD	2898000	24.0091	0.0000	5796000	24.0091	0.0000	0.0000
2	VIDYASHANKAR KRISHNAN JT : SUMITA VIDYASHANKAR	1360120	11.2682	0.0000	2720240	11.2682	0.0000	0.0000
3	K VENKATRAMANAN	1292480	10.7078	0.0000	2584960	10.7078	0.0000	0.0000
4	SIVASUNDAR PRIVATE LTD	468600	3.8822	0.0000	937200	3.8822	0.0000	0.0000
5	S LAKSHMAN	371999	3.0819	0.0000	743998	3.0819	0.0000	0.0000
6	LAKSHMI RAMACHANDRAN	283990	2.3527	0.0000	567980	2.3527	0.0000	0.0000
7	R SUBRAMONIAN JT : SUMITA VIDYASHANKAR	77600	0.6428	0.0000	155200	0.6428	0.0000	0.0000
8	AJAY SHANKAR R	27000	0.2236	0.0000	54000	0.2236	0.0000	0.0000
9	SUMITA VIDYASHANKAR JT : VIDYASHANKAR KRISHNAN	16400	0.1358	0.0000	32800	0.1358	0.0000	0.0000
10	VIJAY SUNDAR R	3756	0.0311	0.0000	7512	0.0311	0.0000	0.0000

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

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year- 31.3.2018		Cumulative Shareholding during the year- 31.3.2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SYNMAX CONSULTANTS & TRADING PVT LTD				
	At the beginning of the year 01-Apr-2018	2898000	24.0091	2898000	24.0091
	Bonus shares issued 22-Jul-2018	2898000	12.0045	5796000	24.0091
	At the end of the Year 30-Mar-2019	5796000	24.0091	5796000	24.0091
2	VIDYASHANKAR KRISHNAN JT1 : SUMITA VIDYASHANKAR				
	At the beginning of the year 01-Apr-2018	1360120	11.2682	1360120	11.2682
	Bonus shares issued 22-Jul-2018	1360120	5.6341	2720240	11.2682
	At the end of the Year 30-Mar-2019	2720240	11.2682	2720240	11.2682
3	K VENKATRAMANAN				
	At the beginning of the year 01-Apr-2018	1292480	10.7078	1292480	10.7078
	Bonus shares issued 22-Jul-2018	1292480	5.3539	2584960	10.7078
	At the end of the Year 30-Mar-2019	2584960	10.7078	2584960	10.7078
4	SIVASUNDAR PRIVATE LTD				
	At the beginning of the year 01-Apr-2018	468600	3.8822	468600	3.8822
	Bonus shares issued 22-Jul-2018	468600	1.9411	937200	3.8822
	At the end of the Year 30-Mar-2019	937200	3.8822	937200	3.8822
5	S LAKSHMAN				
	At the beginning of the year 01-Apr-2018	371999	3.0819	371999	3.0819
	Bonus shares issued 22-Jul-2018	371999	1.5409	743998	3.0819
	At the end of the Year 30-Mar-2019	743998	3.0819	743998	3.0819
6	LAKSHMI RAMACHANDRAN				
	At the beginning of the year 01-Apr-2018	283990	2.3527	283990	2.3527
	Bonus shares issued 22-Jul-2018	283990	1.1763	567980	2.3527
	At the end of the Year 30-Mar-2019	567980	2.3527	567980	2.3527
7	R SUBRAMONIAN JT1 : SUMITA VIDYASHANKAR				
	At the beginning of the year 01-Apr-2018	77600	0.6428	77600	0.6428
	Bonus shares issued 22-Jul-2018	77600	0.3214	155200	0.6428
	At the end of the Year 30-Mar-2019	155200	0.6428	155200	0.6428
8	AJAY SHANKAR RAMACHANDRAN				
	At the beginning of the year 01-Apr-2018	27000	0.2236	27000	0.2236
	Bonus shares issued 22-Jul-2018	27000	0.1118	54000	0.2236
	At the end of the Year 30-Mar-2019	54000	0.2236	54000	0.2236
9	SUMITA VIDYASHANKAR JT1 : VIDYASHANKAR KRISHNAN				
	At the beginning of the year 01-Apr-2018	16400	0.1358	16400	0.1358
	Bonus shares issued 22-Jul-2018	16400	0.0679	32800	0.1358
	At the end of the Year 30-Mar-2019	32800	0.1358	32800	0.1358
10	VIJAY SUNDAR RAMACHANDRAN				
	At the beginning of the year 01-Apr-2018	3756	0.0311	3756	0.0311
	Bonus shares issued 22-Jul-2018	3756	0.0155	7512	0.0311
	At the end of the Year 30-Mar-2019	7512	0.0311	7512	0.0311


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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 31.3.2018		Cumulative Shareholding during the year 31.3.2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	L&T MUTUAL FUND TRUSTEE LIMITED-L&T EMERGING BUSINESSES FUND At the beginning of the year 01-Apr-2018	573642	4.7524	573642	4.7524
	Purchase 06-Apr-2018	4260	0.0176	577902	2.3938
	Purchase 13-Apr-2018	5255	0.0217	583157	2.4156
	Purchase 20-Apr-2018	1034	0.0042	584191	2.4199
	Purchase 27-Apr-2018	1868	0.0077	586059	2.4276
	Purchase 04-May-2018	2952	0.0122	589011	2.4398
	Purchase 11-May-2018	4661	0.0193	593672	2.4592
	Purchase 18-May-2018	2561	0.0106	596233	2.4698
	Purchase 25-May-2018	4207	0.0174	600440	2.4872
	Purchase 08-Jun-2018	893	0.0036	601333	2.4909
	Purchase 15-Jun-2018	2000	0.0082	603333	2.4992
	Bonus 22-Jul-2018	603333	2.4992	1206666	4.9984
	Purchase 19-Oct-2018	9445	0.0391	1216111	5.0375
	Purchase 26-Oct-2018	13429	0.0556	1229540	5.0932
	Purchase 02-Nov-2018	19126	0.0792	1248666	5.1724
	Purchase 09-Nov-2018	6000	0.0248	1254666	5.1972
	Purchase 16-Nov-2018	2000	0.0082	1256666	5.2055
	Purchase 23-Nov-2018	13406	0.0555	1270072	5.2611
	Purchase 30-Nov-2018	8986	0.0372	1279058	5.2983
	Purchase 07-Dec-2018	23585	0.0976	1302643	5.3960
	Purchase 14-Dec-2018	6362	0.0263	1309005	5.4223
	Purchase 21-Dec-2018	5057	0.0209	1314062	5.4433
	Purchase 28-Dec-2018	12822	0.0531	1326884	5.4964
	Purchase 04-Jan-2019	4748	0.0196	1331632	5.5161
	Purchase 11-Jan-2019	24168	0.1001	1355800	5.6162
	Purchase 18-Jan-2019	9245	0.0382	1365045	5.6545
	Purchase 25-Jan-2019	5755	0.0238	1370800	5.6783
	Purchase 08-Feb-2019	10000	0.0414	1380800	5.7197
	Purchase 15-Feb-2019	1236	0.0051	1382036	5.7248
	Purchase 22-Feb-2019	10328	0.0427	1392364	5.7676
	Purchase 25-Feb-2019	889	0.0036	1393253	5.7713
	Purchase 01-Mar-2019	4881	0.0202	1398134	5.7915
	Purchase 08-Mar-2019	35112	0.1454	1433246	5.9370
	Purchase 15-Mar-2019	3754	0.0155	1437000	5.9525
	Sale 29-Mar-2019	-23676	0.0980	1413324	5.8545
	At the end of the Year 30-Mar-2019	1413324	5.8545	1413324	5.8545
1	L&T MUTUAL FUND TRUSTEE LIMITED - L&T EMERGING OPPORTUNITIES FUND - SERIES I At the beginning of the year 01-Apr-2018	44921	0.3721	44921	0.3721
	Purchase 06-Apr-2018	460	0.0019	45381	0.1879
	Purchase 01-Jun-2018	19319	0.0800	64700	0.2680
	Purchase 08-Jun-2018	1000	0.0041	65700	0.2721
	Bonus 22-Jul-2018	65700	0.2721	131400	0.5443
	Purchase 27-Jul-2018	941	0.0038	132341	0.5482
	At the end of the Year 30-Mar-2019	132341	0.5482	132341	0.5482



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 31.3.2018		Cumulative Shareholding during the year 31.3.2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	FRANKLIN INDIA SMALLER COMPANIES FUND At the beginning of the year 01-Apr-2018	570000	4.7222	570000	4.7222
	Bonus 22-Jul-2018	570000	2.3611	1140000	4.7222
	At the end of the Year 30-Mar-2019	1140000	4.7222	1140000	4.7222
2	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN BUILD INDIA FUND (FBIF) At the beginning of the year 01-Apr-2018	125000	1.0355	125000	1.0355
	Bonus 22-Jul-2018	125000	0.5177	250000	1.0355
	At the end of the Year 30-Mar-2019	250000	1.0355	250000	1.0355
3	HDFC TRUSTEE COMPANY LTD- A/C HDFC HYBRID EQUITY FUND At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	Purchase 08-Jun-2018	303500	1.2572	303500	1.2572
	Bonus 22-Jul-2018	303500	1.2572	607000	2.5144
	At the end of the Year 30-Mar-2019	607000	2.5144	607000	2.5144
3	HDFC TRUSTEE COMPANY LIMITED A/C HDFC BALANCED FUND At the beginning of the year 01-Apr-2018	303500	2.5144	303500	2.5144
	Sale 08-Jun-2018	-303500	1.2572	0	0.0000
	At the end of the Year 30-Mar-2019	0	0.0000	0	0.0000
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SMALL CAP FUND At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	Purchase 22-Jun-2018	107511	0.4453	107511	0.4453
	Bonus 22-Jul-2018	107511	0.4453	215022	0.8906
	Purchase 31-Aug-2018	19229	0.0796	234251	0.9703
	Purchase 19-Oct-2018	74000	0.3065	308251	1.2768
	Purchase 11-Jan-2019	29000	0.1201	337251	1.3970
	Purchase 22-Feb-2019	6163	0.0255	343414	1.4225
	At the end of the Year 30-Mar-2019	343414	1.4225	343414	1.4225
4	SUNDARAM MUTUAL FUND A/C SUNDARAM E30-Mar-2019 MERGING SMALL CAP - SERIES II At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	Purchase 06-Apr-2018	35000	0.1449	35000	0.1449
	Purchase 15-Jun-2018	10443	0.0432	45443	0.1882
	Bonus 22-Jul-2018	45443	0.1882	90886	0.3764
	At the end of the Year 30-Mar-2019	90886	0.3764	90886	0.3764



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 31.3.2018		Cumulative Shareholding during the year 31.3.2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	SUNDARAM MUTUAL FUND A/C SUNDARAM EMERGING SMALL CAP - SERIES I At the beginning of the year 01-Apr-2018	35243	0.2919	35243	0.2919
	Purchase 06-Apr-2018	17000	0.0704	52243	0.2164
	Sale 15-Jun-2018	-13541	0.0560	38702	0.1603
	Bonus 22-Jul-2018	38702	0.1603	77404	0.3206
	At the end of the Year 30-Mar-2019	77404	0.3206	77404	0.3206
4	SUNDARAM MUTUAL FUND A/C SUNDARAM EMERGING SMALL CAP - SERIES III At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	Purchase 15-Jun-2018	23622	0.0978	23622	0.0978
	Purchase 22-Jun-2018	8804	0.0364	32426	0.1343
	Bonus 22-Jul-2018	32426	0.1343	64852	0.2686
	Purchase 31-Aug-2018	2500	0.0103	67352	0.2789
	Purchase 19-Oct-2018	1608	0.0066	68960	0.2856
	Purchase 22-Feb-2019	5246	0.0217	74206	0.3073
	At the end of the Year 30-Mar-2019	74206	0.3073	74206	0.3073
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICRO CAP SERIES XIV At the beginning of the year 01-Apr-2018	40558	0.3360	40558	0.3360
	Sale 15-Jun-2018	-9970	0.0412	30588	0.1267
	Bonus 22-Jul-2018	30588	0.1267	61176	0.2534
	At the end of the Year 30-Mar-2019	61176	0.2534	61176	0.2534
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICRO CAP SERIES - XV At the beginning of the year 01-Apr-2018	38702	0.3206	38702	0.3206
	Sale 15-Jun-2018	-8292	0.0343	30410	0.1259
	Bonus 22-Jul-2018	30410	0.1259	60820	0.2519
	At the end of the Year 30-Mar-2019	60820	0.2519	60820	0.2519
4	SUNDARAM MUTUAL FUND A/C SUNDARAM LONG TERM MICRO CAP TAX ADVANTAGE FUND SERIES III At the beginning of the year 01-Apr-2018	42176	0.3494	42176	0.3494
	Purchase 06-Apr-2018	3865	0.0160	46041	0.1907
	Sale 25-May-2018	-767	0.0031	45274	0.1875
	Sale 01-Jun-2018	-4361	0.0180	40913	0.1694
	Sale 08-Jun-2018	-6	0.0000	40907	0.1694
	Sale 15-Jun-2018	-12078	0.0500	28829	0.1194
	Bonus 22-Jul-2018	28829	0.1194	57658	0.2388
	At the end of the Year 30-Mar-2019	57658	0.2388	57658	0.2388



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 31.3.2018		Cumulative Shareholding during the year 31.3.2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	SUNDARAM MUTUAL FUND A/C SUNDARAM EMERGING SMALL CAP - SERIES IV At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	Purchase 15-Jun-2018	11407	0.0472	11407	0.0472
	Purchase 22-Jun-2018	11044	0.0457	22451	0.0930
	Bonus 22-Jul-2018	22451	0.0930	44902	0.1860
	Purchase 31-Aug-2018	3500	0.0144	48402	0.2004
	Purchase 19-Oct-2018	1324	0.0054	49726	0.2059
	Purchase 22-Feb-2019	5720	0.0236	55446	0.2296
	At the end of the Year 30-Mar-2019	55446	0.2296	55446	0.2296
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICROCAP SERIES VIII At the beginning of the year 01-Apr-2018	39590	0.3279	39590	0.3279
	Purchase 06-Apr-2018	3590	0.0148	43180	0.1788
	Sale 25-May-2018	-627	0.0025	42553	0.1762
	Sale 01-Jun-2018	-3687	0.0152	38866	0.1609
	Sale 08-Jun-2018	-5	0.0000	38861	0.1609
	Sale 15-Jun-2018	-12161	0.0503	26700	0.1106
	Bonus 22-Jul-2018	26700	0.1106	53400	0.2212
	At the end of the Year 30-Mar-2019	53400	0.2212	53400	0.2212
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICRO CAP SERIES XI At the beginning of the year 01-Apr-2018	32780	0.2715	32780	0.2715
	Sale 15-Jun-2018	-8755	0.0362	24025	0.0995
	Bonus 22-Jul-2018	24025	0.0995	48050	0.1990
	At the end of the Year 30-Mar-2019	48050	0.1990	48050	0.1990
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICRO CAP SERIES - XVI At the beginning of the year 01-Apr-2018	26220	0.2172	26220	0.2172
	Sale 15-Jun-2018	-6481	0.0268	19739	0.0817
	Bonus 22-Jul-2018	19739	0.0817	39478	0.1635
	At the end of the Year 30-Mar-2019	39478	0.1635	39478	0.1635
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICRO CAP SERIES XII At the beginning of the year 01-Apr-2018	24006	0.1988	24006	0.1988
	Sale 15-Jun-2018	-6602	0.0273	17404	0.0720
	Bonus 22-Jul-2018	17404	0.0720	34808	0.1441
	At the end of the Year 30-Mar-2019	34808	0.1441	34808	0.1441



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 31.3.2018		Cumulative Shareholding during the year 31.3.2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICRO CAP - SERIES - XVII At the beginning of the year 01-Apr-2018	23014	0.1906	23014	0.1906
	Sale 15-Jun-2018	-6568	0.0272	16446	0.0681
	Bonus 22-Jul-2018	16446	0.0681	32892	0.1362
	At the end of the Year 30-Mar-2019	32892	0.1362	32892	0.1362
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICRO CAP SERIES IX At the beginning of the year 01-Apr-2018	23369	0.1936	23369	0.1936
	Sale 25-May-2018	-139	0.0005	23230	0.0962
	Sale 01-Jun-2018	-819	0.0033	22411	0.0928
	Sale 08-Jun-2018	-1	0.0000	22410	0.0928
	Sale 15-Jun-2018	-6624	0.0274	15786	0.0653
	Bonus 22-Jul-2018	15786	0.0653	31572	0.1307
	At the end of the Year 30-Mar-2019	31572	0.1307	31572	0.1307
4	SUNDARAM MUTUAL FUND A/C SUNDARAM LONG TERM TAX ADVANTAGE FUND - SERIES - III At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	Purchase 06-Apr-2018	15000	0.0621	15000	0.0621
	Bonus 22-Jul-2018	15000	0.0621	30000	0.1242
	At the end of the Year 30-Mar-2019	30000	0.1242	30000	0.1242
4	SUNDARAM MUTUAL FUND A/C SUNDARAM LONG TERM MICRO CAP TAX ADVANTAGE FUND SERIES IV At the beginning of the year 01-Apr-2018	17373	0.1439	17373	0.1439
	Sale 15-Jun-2018	-4960	0.0205	12413	0.0514
	Bonus 22-Jul-2018	12413	0.0514	24826	0.1028
	At the end of the Year 30-Mar-2019	24826	0.1028	24826	0.1028
4	SUNDARAM MUTUAL FUND A/C SUNDARAM LONG TERM MICRO CAP TAX ADVANTAGE FUND - SERIES V At the beginning of the year 01-Apr-2018	16645	0.1378	16645	0.1378
	Sale 15-Jun-2018	-4372	0.0181	12273	0.0508
	Bonus 22-Jul-2018	12273	0.0508	24546	0.1016
	At the end of the Year 30-Mar-2019	24546	0.1016	24546	0.1016



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 31.3.2018		Cumulative Shareholding during the year 31.3.2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	SUNDARAM MUTUAL FUND A/C SUNDARAM LONG TERM MICRO CAP TAX ADVANTAGE FUND - SERIES - VI At the beginning of the year 01-Apr-2018	15000	0.1242	15000	0.1242
	Sale 15-Jun-2018	-3991	0.0165	11009	0.0456
	Bonus 22-Jul-2018	11009	0.0456	22018	0.0912
	At the end of the Year 30-Mar-2019	22018	0.0912	22018	0.0912
4	SUNDARAM MUTUAL FUND A/C SUNDARAM EMERGING SMALL CAP - SERIES V At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	Purchase 31-Aug-2018	17926	0.0742	17926	0.0742
	Purchase 19-Oct-2018	1141	0.0047	19067	0.0789
	Purchase 22-Feb-2019	2204	0.0091	21271	0.0881
	At the end of the Year 30-Mar-2019	21271	0.0881	21271	0.0881
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICROCAP SERIES X At the beginning of the year 01-Apr-2018	15104	0.1251	15104	0.1251
	Sale 25-May-2018	-78	0.0003	15026	0.0622
	Sale 01-Jun-2018	-461	0.0019	14565	0.0603
	Sale 08-Jun-2018	-1	0.0000	14564	0.0603
	Sale 15-Jun-2018	-4301	0.0178	10263	0.0425
	Bonus 22-Jul-2018	10263	0.0425	20526	0.0850
	At the end of the Year 30-Mar-2019	20526	0.0850	20526	0.0850
4	SUNDARAM MUTUAL FUND A/C SUNDARAM LONG TERM TAX ADVANTAGE FUND - SERIES IV At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	Purchase 31-Aug-2018	14491	0.0600	14491	0.0600
	Purchase 04-Jan-2019	500	0.0020	14991	0.0620
	At the end of the Year 30-Mar-2019	14991	0.0620	14991	0.0620
4	SUNDARAM MUTUAL FUND A/C SUNDARAM EMERGING SMALL CAP - SERIES VI At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	Purchase 19-Oct-2018	9474	0.0392	9474	0.0392
	Purchase 08-Feb-2019	200	0.0008	9674	0.0400
	Purchase 22-Feb-2019	1119	0.0046	10793	0.0447
	At the end of the Year 30-Mar-2019	10793	0.0447	10793	0.0447



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 31.3.2018		Cumulative Shareholding during the year 31.3.2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	SUNDARAM MUTUAL FUND A/C SUNDARAM LONG TERM TAX ADVANTAGE FUND-SERIES-II				
	At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	Purchase 06-Apr-2018	4837	0.0200	4837	0.0200
	Bonus 22-Jul-2018	4837	0.0200	9674	0.0400
	At the end of the Year 30-Mar-2019	9674	0.0400	9674	0.0400
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECTMICROCAP SERIES VI				
	At the beginning of the year 01-Apr-2018	82192	0.6809	82192	0.6809
	Sale 06-Apr-2018	-82192	0.3404	0	0.0000
	At the end of the Year 30-Mar-2019	0	0.0000	0	0.0000
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECTMICROCAP SERIES VII				
	At the beginning of the year 01-Apr-2018	33383	0.2765	33383	0.2765
	Sale 15-Jun-2018	-4560	0.0188	28823	0.1193
	Bonus 22-Jul-2018	28823	0.1193	57646	0.2387
	Sale 31-Aug-2018	-57646	0.2387	0	0.0000
	At the end of the Year 30-Mar-2019	0	0.0000	0	0.0000
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECTMICROCAP SERIES I				
	At the beginning of the year 01-Apr-2018	30577	0.2533	30577	0.2533
	Sale 15-Jun-2018	-4354	0.0180	26223	0.1086
	Bonus 22-Jul-2018	26223	0.1086	52446	0.2172
	Sale 19-Oct-2018	-52446	0.2172	0	0.0000
	At the end of the Year 30-Mar-2019	0	0.0000	0	0.0000
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECTMICROCAP SERIES II				
	At the beginning of the year 01-Apr-2018	20465	0.1695	20465	0.1695
	Sale 15-Jun-2018	-2819	0.0116	17646	0.0730
	Bonus 22-Jul-2018	17646	0.0730	35292	0.1461
	Sale 19-Oct-2018	-35292	0.1461	0	0.0000
	At the end of the Year 30-Mar-2019	0	0.0000	0	0.0000



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 31.3.2018		Cumulative Shareholding during the year 31.3.2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICRO CAP SERIES III At the beginning of the year 01-Apr-2018	16950	0.1404	16950	0.1404
	Sale 15-Jun-2018	-2420	0.0100	14530	0.0601
	Bonus 22-Jul-2018	14530	0.0601	29060	0.1203
	Sale 04-Jan-2019	-29060	0.1203	0	0.0000
	At the end of the Year 30-Mar-2019	0	0.0000	0	0.0000
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICRO CAP SERIES IV At the beginning of the year 01-Apr-2018	12556	0.1040	12556	0.1040
	Sale 15-Jun-2018	-1852	0.0076	10704	0.0443
	Bonus 22-Jul-2018	10704	0.0443	21408	0.0886
	Sale 22-Feb-2019	-21408	0.0886	0	0.0000
	At the end of the Year 30-Mar-2019	0	0.0000	0	0.0000
5	SANDHYA G PARIKH JT1 : GOVINDLAL M PARIKH At the beginning of the year 01-Apr-2018	141056	1.1686	141056	1.1686
	Purchase 15-Jun-2018	16	0.0000	141072	0.5843
	Bonus 22-Jul-2018	141072	0.5843	282144	1.1687
	At the end of the Year 30-Mar-2019	282144	1.1687	282144	1.1687
6	MEENAKSHI SUBRAMANIAM At the beginning of the year 01-Apr-2018	117583	0.9741	117583	0.9741
	Bonus 22-Jul-2018	117583	0.4870	235166	0.9741
	At the end of the Year 30-Mar-2019	235166	0.9741	235166	0.9741
7	SUNDARAM NARAYANAN. JT1 : JALAJA NARAYANAN. At the beginning of the year 01-Apr-2018	75600	0.6263	75600	0.6263
	Bonus 22-Jul-2018	75600	0.3131	151200	0.6263
	At the end of the Year 30-Mar-2019	151200	0.6263	151200	0.6263
8	HSBC SMALL CAP EQUITY FUND At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	Purchase 16-Nov-2018	81178	0.3362	81178	0.3362
	Purchase 23-Nov-2018	14851	0.0615	96029	0.3977
	Purchase 30-Nov-2018	9243	0.0382	105272	0.4360
	Purchase 07-Dec-2018	7610	0.0315	112882	0.4675
	Purchase 14-Dec-2018	37118	0.1537	150000	0.6213
	At the end of the Year 30-Mar-2019	150000	0.6213	150000	0.6213



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 31.3.2018		Cumulative Shareholding during the year 31.3.2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	VISHNU SRIVATSAN				
	At the beginning of the year 01-Apr-2018	73027	0.6050	73027	0.6050
	Bonus 22-Jul-2018	73027	0.3025	146054	0.6050
	At the end of the Year 30-Mar-2019	146054	0.6050	146054	0.6050
10	MATTHEWSASIA SMALL COMPANIES FUND				
	At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	Purchase 22-Feb-2019	74313	0.3078	74313	0.3078
	Purchase 08-Mar-2019	19248	0.0797	93561	0.3875
	Purchase 22-Mar-2019	1	0.0000	93562	0.3875
	Purchase 29-Mar-2019	32770	0.1357	126332	0.5233
	At the end of the Year 30-Mar-2019	126332	0.5233	126332	0.5233
11	PPF II (PMG PARTNERS FUNDS II) - PADMA INDIA FUND				
	At the beginning of the year 01-Apr-2018	58014	0.4806	58014	0.4806
	Purchase 13-Jul-2018	9500	0.0393	67514	0.2796
	Bonus 22-Jul-2018	67514	0.2796	135028	0.5593
	Sale 08-Mar-2019	-25028	0.1036	110000	0.4556
	At the end of the Year 30-Mar-2019	110000	0.4556	110000	0.4556

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year 31.3.2018		Cumulative Shareholding during the year 31.3.2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	R VENKATAKRISHNAN (CFO)				
	At the beginning of the year	1,200	0.01	1,200	0.01
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (issue of bonus shares)	-	-	1,200	0.01
	At the end of the Year	1,200	0.01	2,400	0.01
2	J SUMATHI (Company Secretary)				
	At the beginning of the year	200	0.00	200	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (issue of bonus shares)	-	-	200	0.00
	At the end of the Year	200	0.00	400	0.00

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,81,29,60,861	0	0	3,81,29,60,861
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	8,97,207	0	0	8,97,207
Total (i+ii+iii)	3,81,38,58,068	0	0	3,81,38,58,068
Change in Indebtedness during the financial year				
· Addition	3,83,60,39,225	19,24,29,434	0	4,02,84,68,659
· Reduction	-95,78,51,947	0	0	-95,78,51,947
Net Change	2,87,81,87,278	19,24,29,434	0	3,07,06,16,712
Indebtedness at the end of the financial year				
i) Principal Amount	6,68,60,11,681	19,24,29,434	0	6,87,84,41,115
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	60,33,665	0	0	60,33,665
Total (i+ii+iii)	6,69,20,45,346	19,24,29,434	0	6,88,44,74,780



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No.	Particulars of Remuneration	Name of MD/ WTD		Total amount
		Vidyashankar Krishnan	K.Venkatramanan	
1	Gross Salary	2,60,23,281	2,60,23,281	5,20,46,562
	a) Salary as per provisions contained in section 17 (1) of the Income tax Act			
	b) Value of perquisites u/s 17 (2) of Income tax Act			
	c) Profits in lieu of salary under section 17 (3) of Income tax Act	62,86,517	62,44,156	1,25,30,673
2	Stock Option			
3	Sweat Equity			
4	Commission -As % of profit -As others, specify	2,52,00,000	2,52,00,000	5,04,00,000
5	Others, specify			
	TOTAL (A)	5,75,09,798	5,74,67,437	11,49,77,235
	Ceiling as per the Act	6,01,18,927	6,01,18,927	12,02,37,853

B. Remuneration to other directors:

Sl.No.	Particulars of remuneration	Name of directors				Total amount
		N. Srinivasan	V.Vaidyanathan	A.Gopalakrishnan	Kavitha Vijay	
1	Independent Directors					
	• Fee for attending board/ committee meetings	45,000	60,000	60,000	52,500	2,17,500
	• Commission	7,50,000	4,00,000	3,00,000	3,00,000	17,50,000
	• Others, please specify					
	Total (1)	7,95,000	4,60,000	3,60,000	3,52,500	19,67,500
	Other Non Executive Directors					
	• Fee for attending board/ committee meetings					
	• Commission					
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (b) = (1 +2)	7,95,000	4,60,000	3,60,000	3,52,500	19,67,500
	Total Managerial Remuneration					

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

Sl.No.	Particulars of Remuneration	Key Managerial Personnel		Total amount
		J. Sumathi, Company Secretary	R. Venkatakrishnan, Chief Financial Officer	
1	Gross Salary			
	a) Salary as per provisions contained in section 17 (1) of the Income tax Act	11,34,894	16,01,283	27,36,177
	b) Value of perquisites u/s 17 (2) of Income tax Act	0	0	0
	c) Profits in lieu of salary under section 17 (3) of Income tax Act	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	-As % of profit	0	0	0
	-As others, specify			
5	Others, specify	-		
	TOTAL (A)	11,34,894	16,01,283	27,36,177

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Form AOC – 2

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

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

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

In terms of our Report of even date

For GRNK & Co.
Chartered Accountants
FRN 016847S

Vidyashankar Krishnan
Chairman of this Meeting -
Vice Chairman and Managing Director
(DIN : 00081441)

V.Vaidyanathan
Director
(DIN : 00081792)

G. R. Naresh Kumar
Proprietor
Membership no. 215577

Kavitha Vijay
Director
(DIN : 01047261)

J.Sumathi
Company Secretary

Place : Chennai
Date : 28 May 2019

R.Venkatakrishnan
Chief Financial Officer



**SECRETARIAL AUDIT REPORT
FOR THE FINANCAL YEAR ENDED 31.03.2019**

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

To

The Members

M M FORGINGS LIMITED

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and made available to me and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I, on strength of those records, and information so provided, hereby report that in my opinion and understanding, the company, during the audit period covering the financial year ended on 31st March, 2019, appears to have complied with the statutory provisions listed hereunder and also in my limited review, that the Company has proper and required Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M M Forgings Limited** (“the Company”) for the financial year ended on 31st March, 2019 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 2017-18 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 in the company, 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 increased the Authorised Share Capital from ₹ 15,00,00,000 (Rupees Fifteen Crores) to ₹ 30,00,00,000 (Rupees Thirty Crores) pursuant to the provisions of the Companies Act 2013 and SEBI Regulation. The existing clause of Memorandum of Association and the corresponding Article of Association have been amended accordingly.

The Company had issued fully paid Bonus share for every one Equity Share held by the members of the company and shall rank pari passu with the existing Equity Share of the company pursuant to the provisions of the Companies Act 2013 and SEBI regulations.

The Company had reappointed the Managing Director and Whole time Director for a period of 5 years from the 01.09.2018 during the year.

The Company had reappointed the Independent Directors (3 Nos) whose period of office expired on 31.03.2019, for a further period of 5 consecutive years from 01.04.2019.

The Company had reappointed the Cost Auditor for the financial year 2018-19, 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: 28 May 2019

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

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



To,

The Members

M M FORGINGS LIMITED

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

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

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

Place: Chennai

Date: 28 May 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members of

M M FORGINGS LIMITED

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 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 except -Not applicable- who has been debarred/ disqualified by Not applicable.

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: 28. May 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of **M M FORGINGS LIMITED**

Report on the IND AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial statements of M/s. M M Forgings Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income) the statement of changes in equity and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

Board of Directors of the Company is responsible for the matters stated in section 134(5) of The Companies Act, 2013, (The Act) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design and implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Auditor's report under the provisions of the Act and rules made there under and the Order issued under Section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by The Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the Audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the financial position of the company as at 31st March 2019 and its **PROFIT** and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section 11 of section 143 of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by section 143(3) of the Act, we report that:
 1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;



2. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
3. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
4. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rule issued thereunder.
5. On the basis of written representations received from the Directors as on March 31 2019, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019, from being appointed as a Director in terms of section 164(2) of the Act.
6. With respect to the adequacy of the internal financial controls over the financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
7. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of The Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us :
 1. The Company does not have any pending litigation which would impact its financial position.
 2. The Company does not have any long term contract including derivative contract for which there were any material foreseeable losses.
 3. There has been no delay in transferring the amounts, required to be transferred, to the investor education and protection fund.
 4. The reporting on disclosure relating to Specified Bank Notes is not applicable to the Company for the year Ended 31.03.2019.

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

Place : Tiruchirapalli
Date : 28 May 2019

PROPRIETOR
Membership No. 215577

ANNEXURE A TO THE AUDITOR'S REPORT

The Annexure referred to in the Independent Auditor's Report to the members of the Company on the Financial Statements for the Year Ended 31.03.2019:

We report that

1.
 1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 2. 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.
 3. 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 immovable properties of the land and building 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. 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 ₹ 8,404.96 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:-
1. The terms and conditions of the grant of such loan is, in our opinion, not prejudicial to the interest of the Company;
 2. The repayment of the said loan is yet to commence as per the schedule stipulated for the repayment;
 3. 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 Act.
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 (v) of the Order is not applicable to the Company.
- 7.
1. 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.
 2. There were no undisputed amounts payable in respect of any of the above statutory dues.
 3. There are no taxes under Tamil Nadu VAT Act which are under dispute.
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 availed the following term loans / Working Capital facilities from Banks:
- | | |
|--|-------------------|
| Net Long Term Borrowings | ₹ 24,484.47 lakhs |
| Net Short Term Borrowings / Current Assets | ₹ 6,170.42 lakhs |
- Based on our audit, we report that the proceeds of the term loan / working capital loan have been utilized for the purpose for which they were borrowed – namely creation of fixed assets of the Company as applicable. The total investment in fixed assets / current assets for the year is at ₹ 28,917.41 lakhs as against term loan availed of ₹ 24,484.47 lakhs.
- Further, as against Working Capital Borrowings of ₹ 6,170.42 lakhs during the Year, the application for Short Term uses is at ₹ 10,153.04 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 Act 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 Act 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 : 28 May 2019

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 Act.

We have audited the internal financial controls over financial reporting of M M Forgings Ltd ('the Company') as of 31st March 2019 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 Act.

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 Act, 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 mis-statements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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 : 28 May 2019

PROPRIETOR
Membership No. 215577

**Balance Sheet as at 31st March, 2019**

(₹ in lakhs)

	Note No.	As at March 2019	As at March 2018
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
1.1 Share capital	3	2,414.08	1,207.04
1.2 Reserves and surplus	4	41,210.66	35,700.59
		<u>43,624.74</u>	<u>36,907.63</u>
2 Non-current liabilities			
2.1 Long-term borrowings	5	39,628.75	16,826.50
2.2 Deferred tax liabilities (net)		1,864.21	1,342.18
2.3 Other long-term liabilities	6	1,878.31	346.10
		<u>43,371.27</u>	<u>18,514.78</u>
3 Current liabilities			
3.1 Short-term borrowings	7	23,429.06	17,258.64
3.2 Trade payables	8	4,770.61	6,160.80
3.3 Other current liabilities	9	5,770.35	4,088.13
3.4 Short-term provisions	10	708.97	701.43
		<u>34,678.99</u>	<u>28,209.00</u>
TOTAL		<u>121,675.00</u>	<u>83,631.41</u>
B ASSETS			
1 Non-current Assets			
1.1 Fixed Assets			
1.1.1 Tangible Assets	11	58,805.73	36,512.15
1.1.2 Capital work-in-progress		3,919.31	2,736.65
		<u>62,725.04</u>	<u>39,248.80</u>
1.2 Non-current investments	12	488.44	430.22
1.3 Long-term loans and advances	13	9,581.76	5,208.71
1.4 Other non-current assets	14	1,097.85	1,114.82
		<u>11,168.05</u>	<u>6,753.75</u>
2 Current Assets			
2.1 Inventories	15	18,750.18	12,525.65
2.2 Trade receivables	16	7,925.29	5,656.83
2.3 Cash and cash equivalents	17	17,112.06	16,354.12
2.3.1 Restricted Bank Accounts		43.86	43.76
2.4 Short-term loans and advances	18	3,886.90	3,040.97
2.5 Other current assets	19	63.62	7.53
		<u>47,781.91</u>	<u>37,628.86</u>
		<u>121,675.00</u>	<u>83,631.41</u>

See accompanying notes forming part of the financial statements

In terms of our Report of even date

For GRNK & Co.
Chartered Accountants
FRN 016847S

Vidyashankar Krishnan
Chairman of this Meeting -
Vice Chairman and Managing Director
(DIN : 00081441)

V.Vaidyanathan
Director
(DIN : 00081792)

G. R. Naresh Kumar
Proprietor
Membership no. 215577

Kavitha Vijay
Director
(DIN : 01047261)

J.Sumathi
Company Secretary

Place : Chennai
Date : 28 May 2019

R.Venkatakrishnan
Chief Financial Officer

**Profit and Loss account for the year ended 31st March, 2019**

(₹ in lakhs)

	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
A CONTINUING OPERATIONS			
1 Revenue from operations Net of GST	20	90,392.20	62,061.72
2 Other income	21	1,584.30	1,212.07
3 Total revenue (1+2)		91,976.50	63,273.79
4 Expenses			
4.1 Cost of materials consumed	22	44,289.72	28,556.92
4.2 Changes in inventories of Finished Goods / Work-In-Process	23	(3,406.75)	(2,761.29)
4.3 Employee benefits expense	24	8,749.35	6,528.17
4.4 Finance costs	25	2,613.96	1,265.02
4.5 Depreciation and amortisation Expenses	11.3	5,441.17	4,199.80
4.6 Other expenses	26	23,434.95	17,293.81
Total expenses		81,122.40	55,082.43
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		10,854.10	8,191.36
6 Exceptional items			
Profit on Sale of Business Asset		-	-
Profit on Sale of Other Assets		2.41	17.21
7 Profit / (Loss) before extraordinary items and tax (5 ± 6)		10,856.51	8,208.57
8 Extraordinary items			
9 Profit / (Loss) before tax (7 ± 8)		10,856.51	8,208.57
10 Tax expense:			
10.1 Current tax expense for current year		2,100.00	1,500.00
10.2 Tax expense relating to prior years		92.49	-
10.3 Net current tax expense		2,192.49	1,500.00
10.4 Mat Credit adjusted		6.95	181.19
10.5 Deferred tax Liability /(Asset)		522.03	(323.35)
		2,721.47	1,357.84
11 Profit / (Loss) from continuing operations (9 ± 10)		8,135.04	6,850.73
B DISCONTINUING OPERATIONS			
12 Profit / (Loss) from discontinuing operations		-	-
C TOTAL OPERATIONS		8,135.04	6,850.73
13 Profit / (Loss) for the year (11 ± 12)		8,135.04	6,850.73
14 Earnings per share (of Rs. 10/- each):			
14.1 Basic			
14.1.1 Continuing operations		33.70	56.76
14.1.2 Total operations		33.70	56.76
14.2 Diluted			
14.2.1 Continuing operations		33.70	56.76
14.2.2 Total operations		33.70	56.76

See accompanying notes forming part of the financial statements

In terms of our Report of even date

For GRNK & Co.
Chartered Accountants
FRN 016847S

Vidyashankar Krishnan
Chairman of this Meeting -
Vice Chairman and Managing Director
(DIN : 00081441)

V.Vaidyanathan
Director
(DIN : 00081792)

G. R. Naresh Kumar
Proprietor
Membership no. 215577

Kavitha Vijay
Director
(DIN : 01047261)

J.Sumathi
Company Secretary

Place : Chennai
Date : 28 May 2019

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 Pasumpon Muthuramalingam District, Viralimalai Pudukkottai District and Karanithangal Village-Kanchipuram District, The company has its Wind Farm at Panakudi Village-Tirunelveli District and at Meenakshipuram, Theni District. The company has its Solar site at Bommakkotai, Virudhunagar District. The company has a roof top solar plant at its Viralimalai unit all within the state of Tamil Nadu.

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 Act. 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:

Building	30 Years
Plant And Machinery	15 Years
Office Equipment	5 Years
Computer Equipments	5 Years
Furnirure 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

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

2.8 Other income

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

2.9 Tangible fixed assets

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

Capital work-in-progress:

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

2.10 Foreign currency transactions and translationsInitial recognition

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

Measurement of foreign currency monetary items at the Balance Sheet date

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

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. The amount capitalised in the current year is at ₹ 3,71,28,800 (Last Year ₹ 2,64,26,647).

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.

Note 2 Significant accounting policies (contd.)

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.

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 up to 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 and machining 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.

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

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

2.18 Research and development expenses

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

2.19 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.

2.20 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.

2.21 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 2019		As at 31 March 2018	
		Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
3.1	Authorised				
	Equity shares of ₹ 10 each with voting rights	30,000,000	3,000.00	15,000,000	1,500.00
3.2	Issued				
	Equity shares of ₹ 10 each with voting rights	24,145,600	2,414.56	12,072,800	1,207.28
3.3	Subscribed and fully paid up				
	Equity shares of ₹ 10 each with voting rights	24,140,800	241,408.00	12,070,400	120,704.00

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

Particulars	Opening Balance	Buy back	Other changes (Bonus Shares)	Closing Balance
Equity shares with voting rights				
Year ended 31 March, 2019				
- Number of shares	12,070,400	-	12,070,400	24,140,800
- Amount ₹ in lakhs	2,414.08	-	-	1,207.04
Year ended 31 March, 2018				
- Number of shares	12,070,400	-	-	12,070,400
- Amount ₹ in lakhs	1,207.04	-	-	1,207.04

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

Class of Shares	As at 31 March 2019		As at 31 March 2018	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Synmax Consultants and Trading Pvt Ltd	5,796,000	24.01%	2,898,000	24.01%
Vidyashankar Krishnan	2,720,240	11.27%	1,360,120	11.27%
Venkatramanan Krishnan	2,584,960	10.71%	1,292,480	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 2019	As at 31 March 2018
Equity shares with voting rights	24,140,800	12,070,400
Fully paid up by way of bonus shares	-	-

(4) Details of shares pledged : NIL

Note 4 Reserves and surplus

₹ in Lakhs

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
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	35,098.37	29,698.37
Add: Transferred from surplus in Statement of Profit and Loss	6,700.00	5,400.00
Less: Utilised / transferred during the year for:		
Interim Dividend / Dividend Tax	1,207.04	-
Closing balance	40,591.33	35,098.37
4.4 Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	292.62	244.72
Add: Profit for the year	8,135.04	6,850.73
Less: Interim dividend	708.97	701.43
Dividends proposed to be distributed to equity shareholders Rs. 30 per share)	603.52	603.52
Tax on dividend	105.45	97.91
Transferred to: General Reserve	6,700.00	5,400.00
Closing balance	309.73	292.62
Total	41,210.66	35,700.59

Note 5 Long-term borrowings

Term Loans From Banks

Secured	39,628.75	16,826.50
Unsecured	-	-
Total	39,628.75	16,826.50

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 2019		As at 31 March 2018	
	Secured	Unsecured	Secured	Unsecured
<u>Term loans from banks:</u>				
Bank				
Citi Bank	1,187.66		2,279.90	
DBS - Loan	8,163.42		841.40	
SBI - Formely SBT	3,925.86		5,144.07	
SBI	2,078.40		2,605.60	
HDFC & Federal	15,000.00		10,000.00	
ICICI	15,000.00		-	
Total - Term loans from banks	45,355.34		20,870.97	
Less: Amounts due within 12 Months	5,726.59		4,044.47	
Total - Term loans from banks	39,628.75		16,826.50	

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			
	As at 31 March 2019	Unsecured	As at 31 March 2018	Unsecured		
5.3 Rate of Interest						
Citi Bank	3.62%		3.11%			
DBS	4.87%		4.87%			
SBI	4.12%		3.43%			
HDFC	2.66%		2.66%			
ICICI	9.50%		-			
5.4 Instalments Payable						
	Citi Bank	SBI	DBS	HDFC	ICICI	TOTAL
2019 - 2020	1,187.66	2,078.40	147.53	1,375.00	938.00	5,726.59
2020 - 2021	-	2,078.40	1,037.19	2,188.00	1,875.00	7,178.59
2021 - 2022	-	1,847.46	1,484.25	2,250.00	1,875.00	7,456.71
2022 - 2023	-	-	1,484.25	2,938.00	1,875.00	6,297.25
2023 - 2024	-	-	1,484.25	3,000.00	1,875.00	6,359.25
2024 - 2025	-	-	1,484.25	3,000.00	1,875.00	6,359.25
2025 - 2026	-	-	1,041.70	249.00	4,687.00	5,977.70
TOTAL	1,187.66	6,004.26	8,163.42	15,000.00	15,000.00	45,355.34

* 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 2019	₹ in Lakhs As at 31 March 2018
6.1 Trade Payables	-	-
Others than acceptances		
6.2 Others Payables on Purchase of Fixed Assets	1,740.31	282.13
Rental Advance Received	105.62	37.52
Advance from Customers	32.38	26.45
Total	1,878.31	346.10

Note 7 Short-term borrowings

7.1 Loans repayable on demand from Banks		
Secured	21,504.77	17,258.64
Unsecured	1,924.29	-
Total	23,429.06	17,258.64

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

	Nature of Security		
Loans repayable on demand from Banks	Hypothecation of Inventory/	23,429.06	17,258.64
Total - from banks	Book Debts	23,429.06	17,258.64
No Default in the Servicing of the facility availed.	Rate of Interest 6.96%		

Note 8 Trade payables

Trade Payables - Other than Acceptances	4,770.61	6,160.80
Total	4,770.61	6,160.80

Note 9 Other current liabilities

9.1 Current maturities of long-term debt - Secured	5,726.59	4,044.47
9.2 Unpaid dividends	43.76	43.66
Total	5,770.35	4,088.13

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 March 2019 - Advance Tax paid ₹ 2,12,500,000)		
(As at 31 March, 2018 - Advance Tax paid ₹ 1,50,000,000)		
10.2 Provision for proposed equity dividend	603.52	603.52
10.3 Provision for tax on proposed dividend	105.45	97.91
Total	708.97	701.43



Notes forming part of the financial statements

Note 11 Fixed Assets

11.1 Tangible Assets	Gross block						
	Balance as at 1 April, 2018	Additions	Disposals	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31 March, 2019
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
11.1.1 Land	3610.56	2560.24					6170.80
11.1.2 Buildings	9766.27	2062.17					11828.44
11.1.3 Plant and Equipment	59898.69	22447.45		173.75	241.27		82761.16
11.1.4 Furniture and Fixtures	202.23	1.18					203.41
11.1.5 Vehicles	513.60	82.40	18.37				577.63
11.1.6 Office equipment	1504.63	166.29					1670.92
Total	75495.98	27319.73	18.37	173.75	241.27	0.00	103212.36
Previous year	66791.41	8521.10	21.09	204.56	0.00	0.00	75495.98

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, 2018	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Other adjustment	Balance as at 31 March, 2019	Balance as at 31 March, 2019	Balance as at 1 April, 2018
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
111.1 Land	0.00	0.00			0.00	6170.80	3610.56
11.2.2 Buildings	1724.89	344.68			2069.57	9758.87	8041.38
11.2.3 Plant and Equipment	35470.24	4732.10			40202.34	42558.82	24428.45
11.2.4 Furniture and Fixtures	170.49	22.39			192.88	10.53	31.74
11.2.5 Vehicles	375.50	56.99	18.37		414.12	163.51	138.10
11.2.6 Office equipment	1242.71	285.01			1527.72	143.20	261.92
Total	38983.83	5441.17	18.37	0.00	44406.63	58805.73	36512.15
Previous year	34797.56	4199.80	13.53	0.00	38983.83	36512.15	31993.85

11.3 Depreciation and amortisation relating to continuing operations:

Particulars	For the year ended	For the year ended
	31 March, 2019	31 March, 2018
	₹ in Lakhs	₹ in Lakhs
Depreciation and amortisation for the year on tangible assets as per Note 12 A	5,441.17	3,893.01
Depreciation and amortisation for the year on intangible assets as per Note 12 B	-	-
Less: Utilised from revaluation reserve	-	-
Depreciation and amortisation relating to continuing operations	5,441.17	3,893.01

Note 12 Non-current investments

Particulars	As at 31 March, 2019			As at 31 March, 2018		
	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 - Fully Paid	14.10	474.34	488.44	14.10	416.12	430.22
Total - Other investments (12.2)	14.10	474.34	488.44	14.10	416.12	430.22
Less: Provision for diminution in value of investments			-			-
Total			488.44			430.22
Aggregate amount of quoted investments			14.10			14.10
Aggregate market value of listed and quoted investments			22.79			36.12

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Note 13 Long-term loans and advances		
13.1 Security deposits	-	-
Secured, considered good	-	-
Unsecured, considered good	746.44	297.36
Doubtful	-	-
	<u>746.44</u>	<u>297.36</u>
Less: Provision for doubtful deposits	-	-
	<u>746.44</u>	<u>297.36</u>
13.2 Advance Income Tax	123.31	(31.01)
13.3 Mat Credit Available	190.67	197.62
13.4 Balances with government authorities		
Unsecured, considered good	-	-
13.4.1 Advance Sales tax	116.38	116.38
13.4.2 DVS Industries (P) Limited	8,404.96	4,628.36
	<u>8,521.34</u>	<u>4,744.74</u>
Total	9,581.76	5,208.71
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	253.26	192.09
14.1.2 Work-in-progress - Steel Forgings	73.40	41.35
14.1.3 Stores & Spares	454.33	260.51
14.1.4 Consumable Tools	104.25	67.88
	<u>885.24</u>	<u>561.83</u>
14.2 Other Assets		
14.2.1 Sundry Debtors	109.75	501.17
14.2.2 Advance to Suppliers	102.86	51.82
	<u>212.61</u>	<u>552.99</u>
Total	1,097.85	1,114.82
Note 15 Inventories (At lower of cost and net realisable value)		
15.1 Raw materials	7,513.17	4,961.52
15.2 Work-in-progress - Steel Forgings	9,727.57	6,352.87
15.3 Stores and spares	897.50	728.36
15.4 Consumable Tools	611.93	482.89
Total	18,750.17	12,525.64

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
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	7,925.29	5,656.83
Doubtful	-	-
	7,925.29	5,656.83
Less: Provision for doubtful trade receivables	-	-
Total	7,925.29	5,656.83
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	2.16	2.03
17.2 Cheques, drafts on hand	-	-
17.3 Investments in Liquid funds	16,088.86	16,405.44
17.4 Balances with banks		
17.4.1 In current accounts	45.90	-28.59
17.4.2 In deposit accounts (Refer Note below)	1,019.00	19.00
Total	17,155.92	16,397.88
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 - Cash Flow Statement is ₹ 12060.73 Lakhs. (As at 31st March 2018 ₹ 8800.30 Lakhs)		
Note: Balances with banks include deposits amounting to ₹ 19.00 Lakhs as at 31st March 2019 which have an original maturity of more than 12 months. (As at 31st March 2018- ₹ 102.94 Lakhs)		
Note 18 Short-term loans and advances		
18.1 Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	195.71	163.04
Doubtful	-	-
	195.71	163.04
Less: Provision for doubtful loans and advances	-	-
	195.71	163.04
18.2 Prepaid expenses - Unsecured, considered good	139.16	69.76
18.3 Balances with government authorities - Unsecured, considered good		
18.3.1 GST credit receivable	3,539.51	2,786.80
18.4 Others		
Secured, considered good	-	-
Unsecured, considered good	12.52	21.37
Doubtful	-	-
	12.52	21.37
Less: Provision for other doubtful loans and advances	-	-
	12.52	21.37
Total	3,886.90	3,040.97

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 2019	As at 31 March 2018
Note 19 Other current assets		
19.1 Others	-	-
19.1.1 Insurance claims	63.62	7.53
Total	63.62	7.53
Note 20 Revenue from operations		
20.1 Sale of products	88,736.91	60,091.09
20.2 Other operating revenues	1,655.29	1,970.63
Total	90,392.20	62,061.72
20.1.1 Sale of products comprises		
<u>Manufactured goods</u>		
Steel Forgings	88,736.91	60,091.09
Total - Sale of products	88,736.91	60,091.09
20.2.1 Other operating revenues		
Power Generated	1,655.29	1,970.63
Total - Other operating revenues	1,655.29	1,970.63
Note 21 Other income		
21.1 Interest income from Bank Deposits	750.94	103.41
21.2 Dividend income: from long-term investments	770.45	1,060.64
21.3 Miscellaneous Income	62.91	48.02
Total	1,584.30	1,212.07
Note 22 Cost of materials consumed		
Opening stock	5,153.61	1,922.42
Add: Purchases	46,902.54	31,788.11
	52,056.15	33,710.53
Less: Closing stock	7,766.43	5,153.61
Cost of material consumed	44,289.72	28,556.92
Material consumed comprises: Raw material Steel Billets		
Note 23 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
<u>Inventories at the end of the year:</u>		
Work-in-progress Forgings	9,800.97	6,394.22
<u>Inventories at the beginning of the year:</u>		
Work-in-progress Forgings	6,394.22	3,632.93
Net (increase) / decrease	(3,406.75)	(2,761.29)
Note 24 Employee benefits expense		
24.1 Salaries and wages	6,482.71	4,758.87
24.2 Managerial Remuneration	1,167.27	885.37
24.2 Contributions to provident and other funds	367.77	298.31
24.3 Staff Gratuity	36.24	17.14
24.4 Staff welfare expenses	695.36	568.48
Total	8,749.35	6,528.17
Note 25 Finance costs		
Interest expense on: borrowings	2,613.96	1,265.02
Total	2,613.96	1,265.02

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2018
Note 26 Other expenses				
26.1 Consumption of Stores		2,323.39		1,612.99
26.2 Consumption of Tools		2,500.27		1,536.57
26.3 Outside Labour		1,206.79		920.85
26.4 Power and fuel		7,973.70		5,887.64
26.5 Repairs and Maintenance				
26.5.1 Buildings	208.14		119.53	
26.5.2 Machinery	1,092.99		896.98	
26.5.3 Machinery Spares	<u>1,585.97</u>	2,887.10	<u>1,215.05</u>	2,231.56
26.6 Selling Expenses		1,175.49		818.10
26.6 Export Expenses				
26.7.1 Packing & Forwarding	836.44		761.51	
26.7.2 Freight	1,009.17		977.27	
26.7.3 Commission	602.56		572.49	
26.7.4 Warehousing Charges	501.91		566.02	
26.7.5 Others	<u>143.92</u>	3,094.00	<u>97.17</u>	2,974.46
26.8 Loss on fixed assets sold / scrapped / written off		-		3.51
26.9 Miscellaneous expenses		2,274.21		1,308.13
Total		23,434.95		17,293.81
Miscellaneous expenses includes payment to auditors comprising of :				
As auditors - statutory audit		14.66		13.63
For taxation matters		1.35		1.35
Reimbursement of Expenses / Service Tax		2.91		2.59
Total		18.92		17.57

Note 27 Additional information to the financial statements

Particulars

27.1 Contingent liabilities and commitments (to the extent not provided for)				
27.1.1 Contingent Liabilities - Foreign Bills Discounted with Bank		246.71		665.08

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

NIL

NIL

**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: ₹ 46.28 crores

29.2 The Directors of the Company are Directors/Partners of the following concerns:

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

DETAILS OF PAYMENTS MADE TO RELATED PERSONS:

K. Vidyashankar	₹ 575,09,798	Kavitha Vijay	₹ 352,500
K. Venkatramanan	₹ 57,467,437	S. Subramanian	₹ 3,588,100
V. Vaidyanathan	₹ 460,000	Advance to DVS Industries (P) Limited - Subsidiary	₹ 377,660,429
N. Srinivasan	₹ 795,000	Universal Legal	₹ 595,000
A. Gopalakrishnan	₹ 360,000		



Particulars	As at 31 March 2019	As at 31 March 2018		
29.3 The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:	Receivable/ (Payable)	Receivable/ (Payable)		
Receivable/ (Payable) in Foreign Currency	NIL	NIL		
	For the year ended 31 March 2019	For the year ended 31 March 2018		
29.4 Value of imports calculated on CIF basis				
Raw materials	-	-		
Consumable Stores / Tools	65.60	51.29		
Machinery Spares	3.32	0.62		
Capital goods	6,999.55	1,020.21		
29.5 Expenditure in foreign currency				
Travelling	108.12	129.99		
Export Expenses	740.54	1,558.36		
Staff Training	NIL	0.05		
29.6 Details of consumption of imported and indigenous items				
	31st Mar 2019	31st Mar 2018		
<u>Imported</u>	₹ in Lakhs	%	₹ in Lakhs	%
Raw materials	-	0.00%	-	0.00%
Consumable Stores / Tools	65.60	1.36%	51.29	1.63%
Machinery Spares	3.32	0.21%	0.62	0.05%
	<u>68.92</u>		<u>51.91</u>	
<u>Indigenous</u>				
Raw materials	44,289.72	100.00%	28,556.92	100.00%
Consumable Stores / Tools	4,758.06	98.64%	3,098.27	98.37%
Machinery Spares	1,582.65	99.79%	1,214.43	99.95%
	<u>50,630.43</u>		<u>32,869.62</u>	
29.7 Earnings in foreign exchange				
Export of goods calculated on CIF basis			44,114.63	34,546.26

Note 30 Disclosures under Accounting Standards (contd.)

30.1 Details of government grants Nil Nil

30.2 Details of borrowing costs capitalised

Borrowing costs capitalised during the year

- as fixed assets / intangible assets / capital work-in-progress	241.27	-
- as inventory	-	-

30.3 - Claims against the Company not acknowledged as debts

The Company has received claim from Commercial Taxes Department - Demanding a sum of ₹ 196.64 lakhs, on the ground that forgings falls under automobile components.

The claim of the Company in this regard has been accepted vide orders passed on 29.03.2019 and the amount of ₹ 116.38 lakhs paid by the Company is expected to be received shortly. Hence no provision is required in this regard. The Company has already paid a sum of ₹ 116.38 lakhs against the same, which is treated as advance refundable

Note 31 Deferred Tax Liability

Tax Effect of Items constituting the same:-

on difference between book balance and tax balance of Fixed Assets	1,864.21	1,342.18
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**Cash Flow Statement for the year ended 31st March 2019**

(₹ in lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
A Cash Flow From Operating Activities		
Net Profit / (Loss) before extraordinary items and tax	10,856.51	8,208.59
<i>Adjustments for:</i>		
Depreciation and amortisation	5,441.17	4,199.80
(Profit) / Loss on sale / write off of assets	(2.41)	(13.70)
Finance costs	2,613.96	1,265.02
Interest income	(750.94)	(103.41)
Dividend income	(770.45)	(1,060.64)
	6,531.33	4,287.07
Operating Profit / (Loss) before working capital changes	17,387.84	12,495.66
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(6,224.53)	(6,258.18)
Trade receivables	(2,268.46)	(3,932.36)
Short-term loans and advances	(845.93)	(876.68)
Long-term loans and advances	(4,059.07)	(4,175.73)
Other current assets	(56.08)	3.43
Other non-current assets	16.97	10.12
<i>Adjustments for increase/(decrease) in operating liabilities</i>		
Trade payables	(1,390.19)	3,553.25
Other current liabilities	1,682.22	(28.18)
Other long-term liabilities	1,532.21	(305.46)
	(11,612.86)	(12,009.79)
Cash generated from operations	5,774.98	485.87
Net income tax (paid) / refunds	(2,513.43)	(1,847.80)
Net cash flow from / (used in) operating activities (A)	3,261.55	(1,361.93)
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(28,917.41)	(10,089.98)
Proceeds from sale of fixed assets	2.41	21.26
Long Term Investments	(58.22)	(413.12)
Interest received	750.94	103.41
Dividend received	770.45	1,060.64
Net cash flow from / (used in) investing activities (B)	(27,451.83)	(9,317.79)
C. Cash flow from financing activities		
Proceeds from long-term borrowings(Net)	22,802.25	5,985.71
Repayment of long-term borrowings(Net)		
Net increase / (decrease) in working capital borrowings	6,170.42	9,814.15
Repayment of other short-term borrowings		
Finance cost	(2,613.96)	(1,265.02)
Interim Dividend / Tax on Dividend	(708.97)	(701.43)
Dividends paid	(603.52)	(120.70)
Tax on dividend	(97.91)	(19.58)
Net cash flow from / (used in) financing activities (C)	24,948.31	13,693.13
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	758.03	3,013.41
Cash and cash equivalents at the beginning of the year	16,397.88	13,384.47
Cash and cash equivalents at the end of the year	17,155.92	16,397.88
	758.03	3,013.41

In terms of our Report of even date

For GRNK & Co.
Chartered Accountants
FRN 016847S

Vidyashankar Krishnan
Chairman of this Meeting -
Vice Chairman and Managing Director
(DIN : 00081441)

V.Vaidyanathan
Director
(DIN : 00081792)

G. R. Naresh Kumar
Proprietor
Membership no. 215577

Kavitha Vijay
Director
(DIN : 01047261)

J.Sumathi
Company Secretary



Consolidated
Financial Statement 2018-19



INDEPENDENT AUDITOR'S REPORT

To the Members of **M M FORGINGS LIMITED**

Report on the IND AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial statements of M/S. M M Forgings Limited (hereinafter referred to as The Holding Company) and its subsidiary (The holding Company and its Subsidiary together referred to as "the Group"), which comprises the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including other comprehensive income) the consolidated statement of changes in equity and the consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of The Companies Act, 2013 (the Act) with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income and consolidated cash flows and changes in equity of the Group in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with relevant rules issued thereunder.

The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind As financial statements. The Board of Directors of the respective companies in The Group are responsible for maintenance of adequate adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design and implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind As financial statements by the Directors of the Holding Company.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

In conducting our Audit, We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Auditor's report under the provisions of the Act and rules made there under and the Order issued under Section 143 (11) of The Act.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by The Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the Audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the over all presentation of the financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the financial position of the company as at 31st March 2019 and its **PROFIT** and cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section 11 of section 143 of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by section 143(3) of the Act, we report that:
 1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 2. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 3. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 4. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rule issued thereunder.
 5. On the basis of written representations received from the Directors as on March 31 2019, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019, from being appointed as a Director in terms of section 164(2) of the Act.
 6. With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the Operating effectiveness of such controls, refer to our separate Report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over financial reporting.
 7. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of The Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us :
 1. The Company does not have any pending litigation which would impact its financial position.
 2. The Company does not have any long term contract including derivative contract for which there were any material foreseeable losses.
 3. There has been no delay in transferring the amounts, required to be transferred, to the investor education and protection fund.

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

Place : Tiruchirapalli
Date : 28 May 2019

PROPRIETOR
Membership No. 215577

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 31.03.2019:

We report that

1.
 1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 2. 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.
 3. 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. 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 ₹ 8,404.96 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:-
 1. The Terms and conditions of the grant of such loan is, in our opinion, not prejudicial to the interest of the Company;
 2. The repayment of the said loan is yet to commence as per the schedule stipulated for the repayment;
 3. 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.
 1. 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.
 2. There were no undisputed amounts payable in respect of any of the above statutory dues.
 3. There are no taxes under Tamil Nadu VAT Act are which under dispute.
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 availed the following term loans / Working Capital facilities from Banks:

Net Long Term Borrowings	₹ 24,484.47 lakhs
Net Short Term Borrowings / Current Assets	₹ 6,170.42 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 ₹ 28,917.41 lakhs as against Term Loan availed of ₹ 24,484.47 Lakhs.

Further, as against Working Capital Borrowings of ₹ 6,170.42 lakhs during the Year, the application for Short Term uses is at ₹ 10,153.04 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 Act were applicable and details of such transactions are duly reported in the consolidated 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 Act 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 : 28 May 2019

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 March 2019 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 judgement, 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 mis-statements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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 : 28 May 2019

PROPRIETOR
Membership No. 215577

**Consolidated Balance Sheet as at 31st March, 2019**

(₹ in lakhs)

	Note No.	As at March 2019	As at March 2018
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
1.1 Share capital	3	2,414.08	1,207.04
1.2 Reserves and surplus	4	40,312.12	35,053.05
		<u>42,726.20</u>	<u>36,260.09</u>
2 Non-current liabilities			
2.1 Long-term borrowings	5	39,628.75	16,826.50
2.2 Deferred tax liabilities (net)		1,864.21	1,342.18
2.3 Other long-term liabilities	6	1,880.73	347.73
		<u>43,373.69</u>	<u>18,516.41</u>
3 Current liabilities			
3.1 Short-term borrowings	7	23,474.88	17,589.73
3.2 Trade payables	8	5,732.72	6,603.11
3.3 Other current liabilities	9	6,048.35	4,125.73
3.4 Short-term provisions	10	708.97	701.43
		<u>35,964.92</u>	<u>29,020.00</u>
TOTAL		<u>122,064.81</u>	<u>83,796.50</u>
B ASSETS			
1 Non-current Assets			
1.1 Fixed Assets			
1.1.1 Tangible Assets	11	65,117.99	40,585.06
1.1.2 Capital work-in-progress		3,919.31	2,736.65
		<u>69,037.30</u>	<u>43,321.71</u>
1.2 Non-current investments		329.14	270.92
1.3 Long-term loans and advances	13	1,278.10	661.18
1.4 Other non-current assets	14	1,489.33	1,114.82
		<u>3,096.57</u>	<u>2,046.92</u>
2 Current Assets			
2.1 Inventories	15	19,469.23	12,691.99
2.2 Trade receivables	16	9,031.81	6,256.62
2.3 Cash and cash equivalents	17	17,163.79	16,385.74
2.3.1 Restricted Bank Accounts		43.86	43.76
2.4 Short-term loans and advances	18	4,158.62	3,042.23
2.5 Other current assets	19	63.63	7.53
		<u>49,930.94</u>	<u>38,427.87</u>
		<u>122,064.81</u>	<u>83,796.50</u>

See accompanying notes forming part of the financial statements

In terms of our Report of even date

For GRNK & Co.
Chartered Accountants
FRN 016847S

Vidyashankar Krishnan
Chairman of this Meeting -
Vice Chairman and Managing Director
(DIN : 00081441)

V.Vaidyanathan
Director
(DIN : 00081792)

G. R. Naresh Kumar
Proprietor
Membership no. 215577

Kavitha Vijay
Director
(DIN : 01047261)

J.Sumathi
Company Secretary

Place : Chennai
Date : 28 May 2019

R.Venkatakrishnan
Chief Financial Officer

**Consolidated Profit and Loss account for the year ended 31st March, 2019**

(₹ in lakh/₹ in lakhs)

	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
A CONTINUING OPERATIONS			
1 Revenue from operations Net of GST	20	93,411.51	63,865.83
2 Other income	21	1,585.95	1,214.45
3 Total revenue (1+2)		<u>94,997.46</u>	<u>65,080.28</u>
4 Expenses			
4.1 Cost of materials consumed	22	45,525.14	28,725.34
4.2 Changes in inventories of Finished Goods / Work-In-Process	23	(3,795.17)	(2,634.96)
4.3 Employee benefits expense	24	9,060.19	6,682.27
4.4 Finance costs	25	3,158.32	1,349.25
4.5 Depreciation and amortisation Expenses	11.3	5,807.39	4,643.97
4.6 Other expenses	26	24,638.49	18,094.74
Total expenses		<u>84,394.36</u>	<u>56,860.61</u>
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		10,603.10	8,219.67
6 Exceptional items		-	-819.42
Profit on Sale of Business Asset		-	-
Profit on Sale of Other Assets		2.41	17.21
7 Profit / (Loss) before extraordinary items and tax (5 ± 6)		<u>10,605.51</u>	<u>7,417.46</u>
8 Extraordinary items			
9 Profit / (Loss) before tax (7 ± 8)		<u>10,605.51</u>	<u>7,417.46</u>
10 Tax expense:			
10.1 Current tax expense for current year		2,100.00	1,500.00
10.2 Tax expense relating to prior years		92.49	-
10.3 Net current tax expense		<u>2,192.49</u>	<u>1,500.00</u>
10.4 Mat Credit adjusted		6.95	181.19
10.5 Deferred tax Liability /(Asset)		522.03	(323.35)
		<u>2,721.47</u>	<u>1,357.84</u>
11 Profit / (Loss) from continuing operations (9 ± 10)		<u>7,884.04</u>	<u>6,059.62</u>
B DISCONTINUING OPERATIONS			
12 Profit / (Loss) from discontinuing operations		-	-
C TOTAL OPERATIONS		<u>7,884.04</u>	<u>6,059.62</u>
13 Profit / (Loss) for the year (11 ± 12)		<u>7,884.04</u>	<u>6,059.62</u>
14 Earnings per share (of Rs. 10 /- each):			
14.1 Basic			
14.1.1 Continuing operations		32.66	50.20
14.1.2 Total operations		32.66	50.20
14.2 Diluted			
14.2.1 Continuing operations		32.66	50.20
14.2.2 Total operations		32.66	50.20

See accompanying notes forming part of the financial statements

In terms of our Report of even date

For GRNK & Co.
Chartered Accountants
FRN 016847S

Vidyashankar Krishnan
Chairman of this Meeting -
Vice Chairman and Managing Director
(DIN : 00081441)

V.Vaidyanathan
Director
(DIN : 00081792)

G. R. Naresh Kumar
Proprietor
Membership no. 215577

Kavitha Vijay
Director
(DIN : 01047261)

J.Sumathi
Company Secretary

Place : Chennai
Date : 28 May 2019

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 Pasumpon Muthuramalingam District, Viralimalai Pudukkottai District and Karanithangal Village-Kanchipuram District, The company has its Wind Farm at Panakudi Village-Tirunelveli District and at Meenakshipuram, Theni District. The company has its Solar site at Bommakkotai, Virudhunagar District. The company has a roof top solar plant at its Viralimalai unit all within the state of Tamil Nadu.

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 Act. 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:

Building	30 Years
Plant And Machinery	15 Years
Office Equipment	5 Years
Computer Equipments	5 Years
Furnirure and fittings	10 Years
Vehicles	5 Years

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

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

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

2.7 Revenue recognition

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

2.8 Other income

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

2.9 Tangible fixed assets

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

Capital work-in-progress:

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

2.10 Foreign currency transactions and translationsInitial recognition

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

Measurement of foreign currency monetary items at the Balance Sheet date

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

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. The amount capitalised in the current year is at ₹ 3,71,28,800 (Last Year ₹ 2,64,26,647).

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.

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

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 and machining 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.



Notes forming part of the consolidated financial statements

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

2.18 Research and development expenses

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

2.19 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.

2.20 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.

2.21 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 2019		As at 31 March 2018	
		Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
3.1	Authorised				
	Equity shares of ₹ 10 each with voting rights	30,000,000	3,000.00	15,000,000	1,500.00
3.2	Issued				
	Equity shares of ₹ 10 each with voting rights	24,145,600	2,414.56	12,072,800	1,207.28
3.3	Subscribed and fully paid up				
	Equity shares of ₹ 10 each with voting rights	24,140,800	2,414.08	12,070,400	1,207.04
(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, 2019					
- Number of shares	12,070,400	-	12,070,400		24,140,800
- Amount ₹ in lakhs	1,207.04	-	1,207.04		2,414.08
Year ended 31 March, 2018					
- Number of shares	12,070,400	-	-		12,070,400
- Amount ₹ in lakhs	1,207.04	-	-		1,207.04

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

Class of Shares	As at 31 March 2019		As at 31 March 2018	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Synmax Consultants and Trading Pvt Ltd	5,796,000	24.01%	2,898,000	24.01%
Vidyashankar Krishnan	2,720,240	11.27%	1,360,120	11.27%
Venkatramanan Krishnan	2,584,960	10.71%	1,292,480	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 2019	As at 31 March 2018
	Equity shares with voting rights	24,140,800
Fully paid up by way of bonus shares	-	-

(4) Details of shares pledged : NIL

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

₹ in Lakhs

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
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	35,599.09	30,199.09
Add: Transferred from surplus in Statement of Profit and Loss	6,700.00	5,400.00
Less: Utilised / transferred during the year for:		
Interim Dividend / Dividend Tax	1,207.04	-
Closing balance	41,092.05	35,599.09
4.4 Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(875.04)	(131.83)
Add: Profit for the year	7,884.04	6,059.62
Less: Interim dividend	708.97	701.43
Less: Dividends proposed to be distributed to equity shareholders Rs. 30 per share)	603.52	603.52
Tax on dividend	105.45	97.91
Transferred to: General Reserve	6,700.00	5,400.00
Closing balance	(1,108.93)	(875.04)
Total	40,312.12	35,053.05

Note 5 Long-term borrowings

Term Loans From Banks

Secured

39,906.75

16,864.10

Unsecured

-

-

Total
39,906.75
16,864.10

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 2019		As at 31 March 2018	
	Secured	Unsecured	Secured	Unsecured
<u>Term loans from banks:</u>				
Bank				
Citi Bank	1,187.66		2,279.90	
DBS - Loan	8,163.42		841.40	
SBI - Formely SBT	3,925.86		5,144.07	
SBI	2,078.40		2,605.60	
HDFC and Federal	15,000.00		10,000.00	
ICICI	15,000.00		-	
Total - Term loans from banks	45,355.34		20,870.97	
Less: Amounts due within 12 Months	5,726.59		4,044.47	
Total - Term loans from banks	39,628.75		16,826.50	

5.2 Terms of Security / Repayment

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

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

Particulars	₹ in Lakhs		₹ in Lakhs			
	As at 31 March 2019		As at 31 March 2018			
	Secured	Unsecured	Secured	Unsecured		
5.3 Rate of Interest						
Citi Bank	3.62%		3.11%			
DBS	4.87%		4.87%			
SBI	4.12%		3.43%			
HDFC	2.66%		2.66%			
ICICI	9.50%		-			
5.4 Instalments Payable						
	Citi Bank	SBI	DBS	HDFC	ICICI	TOTAL
2019 - 2020	1,187.66	2,078.40	147.53	1,375.00	938.00	5,726.59
2020 - 2021	-	2,078.40	1,037.19	2,188.00	1,875.00	7,178.59
2021 - 2022	-	1,847.46	1,484.25	2,250.00	1,875.00	7,456.71
2022 - 2023	-	-	1,484.25	2,938.00	1,875.00	6,297.25
2023 - 2024	-	-	1,484.25	3,000.00	1,875.00	6,359.25
2024 - 2025	-	-	1,484.25	3,000.00	1,875.00	6,359.25
2025 - 2026	-	-	1,041.70	249.00	4,687.00	5,977.70
TOTAL	1,187.66	6,004.26	8,163.42	15,000.00	15,000.00	45,355.34

* 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 2019	₹ in Lakhs As at 31 March 2018
6.1 Trade Payables	-	-
6.2 Others		
Payables on Purchase of Fixed Assets	1,740.31	282.13
Rental Advance Received	105.62	37.52
Advance from Customers	34.80	28.08
Total	1,880.73	347.73

Note 7 Short-term borrowings

7.1 Loans repayable on demand from Banks		
Secured	21,550.59	17,589.73
Unsecured	1,924.29	-
Total	23,474.88	17,589.73

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

	Nature of Security		
Loans repayable on demand from Banks	Hypothecation of Inventory/	23,429.06	17,258.64
Total - from banks	Book Debts	23,429.06	17,258.64
No Default in the Servicing of the facility availed.	Rate of Interest 6.96%		

Note 8 Trade payables

Trade Payables - Other than Acceptances	5,732.72	6,603.11
Total	5,732.72	6,603.11

Note 9 Other current liabilities

9.1 Current maturities of long-term debt - Secured	6,004.59	4,082.07
9.2 Unpaid dividends	43.76	43.66
Total	6,048.35	4,125.73

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 March 2019 - Advance Tax paid ₹ 2,12,500,000)		
(As at 31 March, 2018 - Advance Tax paid ₹ 1,50,000,000)		
10.2 Provision for proposed equity dividend	603.52	603.52
10.3 Provision for tax on proposed dividend	105.45	97.91
Total	708.97	701.43

**Notes forming part of the consolidated financial statements****Note 11 Fixed Assets**

11.1 Tangible Assets	Gross block						
	Balance as at 1 April, 2018	Additions	Disposals	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31 March, 2019
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
11.1.1 Land	3881.03	2560.24	0.00	0.00	0.00	0.00	6441.27
11.1.2 Buildings	10524.51	2145.81	0.00	0.00	0.00	0.00	12670.32
11.1.3 Plant and Equipment	65908.64	24920.59	0.00	173.75	241.27	0.00	91244.25
11.1.4 Furniture and Fixtures	255.51	3.72	0.00	0.00	0.00	0.00	259.23
11.1.5 Vehicles	698.09	117.28	18.37	0.00	0.00	0.00	797.00
11.1.6 Office equipment	1619.69	177.66	0.00	0.00	0.00	0.00	1797.35
Total	82887.47	29925.30	18.37	173.75	241.27	0.00	113209.42
Previous year	74921.79	8703.99	942.87	204.56	0.00	0.00	82887.47

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, 2018	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Other adjustment	Balance as at 31 March, 2019	Balance as at 31 March, 2019	Balance as at 1 April, 2018
	₹ in Lakhs	₹ 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	6441.27	3881.03
11.1.2 Buildings	1918.07	370.76	0.00	0.00	2288.83	10381.49	8606.44
11.1.3 Plant and Equipment	38297.59	5029.53	0.00	0.00	43327.12	47917.13	27611.05
11.1.4 Furniture and Fixtures	218.96	25.85	0.00	0.00	244.81	14.42	36.55
11.1.5 Vehicles	504.47	75.18	18.37	15.24	576.52	220.48	193.62
11.1.6 Office equipment	1363.32	291.56	0.00	-0.73	1654.15	143.20	256.37
Total	42302.41	5792.88	18.37	14.51	48091.43	65117.99	40585.06
Previous year	37686.45	4643.97	28.01	0.00	42302.41	36512.15	31993.85

11.3 Depreciation and amortisation relating to continuing operations:

Particulars	For the year ended	For the year ended
	31 March, 2019	31 March, 2018
	₹ in Lakhs	₹ in Lakhs
Depreciation and amortisation for the year on tangible assets as per Note 12 A	5,792.88	4,643.97
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	5,792.88	4,643.97

Note 12 Non-current investments

Particulars	As at 31 March, 2019			As at 31 March, 2018		
	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 - Fully Paid	14.10	24.34	38.44	14.10	2.50	16.60
Total - Other investments (12.2)	14.10	24.34	38.44	14.10	2.50	16.60
Less: Provision for diminution in value of investments			-			-
Total			38.44			16.60
Aggregate amount of quoted investments			14.10			14.10
Aggregate market value of listed and quoted investments			22.79			21.62

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

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Note 13 Long-term loans and advances		
13.1 Security deposits	-	-
Secured, considered good	-	-
Unsecured, considered good	772.86	323.75
Doubtful	-	-
	<u>772.86</u>	<u>323.75</u>
Less: Provision for doubtful deposits	-	-
	<u>772.86</u>	<u>323.75</u>
13.2 Advance Income Tax	178.29	3.53
13.3 Mat Credit Available	210.57	217.52
13.4 Balances with government authorities		
Unsecured, considered good		
13.4.1 Advance Sales tax	116.38	116.38
	<u>116.38</u>	<u>116.38</u>
Total	1,278.10	661.18
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	253.26	192.09
14.1.2 Work-in-progress - Steel Forgings	73.40	41.35
14.1.3 Stores & Spares	454.33	260.51
14.1.4 Consumable Tools	104.25	67.88
Total	885.24	561.83
14.2 Other Assets		
14.2.1 Sundry Debtors	109.75	501.17
14.2.2 Advance to Suppliers	494.34	51.82
	<u>604.09</u>	<u>552.99</u>
Total	1,489.33	1,114.82
Note 15 Inventories (At lower of cost and net realisable value)		
15.1 Raw materials	7,676.93	4,961.52
15.2 Work-in-progress - Steel Forgings	10,282.34	6,519.22
15.3 Stores and spares	897.99	728.36
15.4 Consumable Tools	611.97	482.89
Total	19,469.23	12,691.99

Notes forming part of the consolidated financial statements

₹ in Lakhs

Particulars	As at 31	
	March 2019	March 2018
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	9,031.81	6,256.62
Doubtful	-	-
	<u>9,031.81</u>	<u>6,256.62</u>
Less: Provision for doubtful trade receivables	-	-
Total	9,031.81	6,256.62

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	49.76	33.64
17.2 Cheques, drafts on hand	-	-
17.3 Investments in Liquid funds	16,088.86	16,405.44
17.4 Balances with banks		
17.4.1 In current accounts	6.17	(72.34)
17.4.2 In deposit accounts (Refer Note below)	1,019.00	19.00
Total	17,163.79	16,385.74

Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 - Cash Flow Statement is ₹ 12060.73 Lakhs. (As at 31st March 2018 ₹ 8800.30 Lakhs)

Note: Balances with banks include deposits amounting to ₹ 19.00 Lakhs as at 31st March 2019 which have an original maturity of more than 12 months. (As at 31st March 2018- ₹ 102.94 Lakhs)

Note 18 Short-term loans and advances

18.1 Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	196.58	163.04
Doubtful	-	-
	<u>196.58</u>	<u>163.04</u>
Less: Provision for doubtful loans and advances	-	-
	196.58	163.04
18.2 Prepaid expenses - Unsecured, considered good	139.16	69.76
18.3 Balances with government authorities - Unsecured, considered good		
18.3.1 GST credit receivable	3,804.37	2,787.68
18.4 Others		
Secured, considered good		
Unsecured, considered good	18.51	21.75
Doubtful	-	-
	<u>18.51</u>	<u>21.75</u>
Less: Provision for other doubtful loans and advances	-	-
	18.51	21.75
Total	4,158.62	3,042.23

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 2019	As at 31 March 2018
Note 19 Other current assets		
19.1 Others	-	-
19.1.1 Insurance claims	63.63	7.53
Total	63.63	7.53
Note 20 Revenue from operations		
20.1 Sale of products	91,756.22	61,895.20
20.2 Other operating revenues	1,655.29	1,970.63
Total	93,411.51	63,865.83
20.1.1 Sale of products comprises		
<u>Manufactured goods</u>		
Steel Forgings	91,756.22	61,895.20
Total - Sale of products	91,756.22	61,895.20
20.2.1 Other operating revenues		
Power Generated	1,655.29	1,970.63
Total - Other operating revenues	1,655.29	1,970.63
Note 21 Other income		
21.1 Interest income from Bank Deposits	750.94	105.17
21.2 Dividend income: from long-term investments	770.45	1,060.64
21.3 Miscellaneous Income	64.56	48.64
Total	1,585.95	1,214.45
Note 22 Cost of materials consumed		
Opening stock	5,153.61	2,007.41
Add: Purchases	48,301.72	31,871.54
	53,455.33	21,035.50
Less: Closing stock	7,930.19	5,153.61
Cost of material consumed	45,525.14	15,881.89
Material consumed comprises: Raw material Steel Billets		
Note 23 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
<u>Inventories at the end of the year:</u>		
Work-in-progress Forgings	10,355.74	6,686.90
<u>Inventories at the beginning of the year:</u>		
Work-in-progress Forgings	6,560.57	3,799.28
Net (increase) / decrease	(3,795.17)	(2,887.62)
Note 24 Employee benefits expense		
24.1 Salaries and wages	6,771.84	4,898.92
24.2 Managerial Remuneration	1,167.27	885.37
24.2 Contributions to provident and other funds	369.36	303.15
24.3 Staff Gratuity	36.24	17.14
24.4 Staff welfare expenses	715.48	577.69
Total	9,060.19	6,682.27
Note 25 Finance costs		
Interest expense on: Borrowings	3,158.32	1,349.25
Total	3,158.32	1,349.25

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

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2018
Note 26 Other expenses				
26.1 Consumption of Stores		2,398.56		1,775.92
26.2 Consumption of Tools		2,718.19		1,578.74
26.3 Outside Labour		1,543.18		1,087.42
26.4 Power and fuel		8,185.48		6,032.06
26.5 Repairs and Maintenance				
26.5.1 Buildings	221.77		153.98	
26.5.2 Machinery	1,227.94		952.51	
26.5.3 Machinery Spares	<u>1,628.55</u>	3,078.26	<u>1,228.79</u>	2,335.28
26.6 Selling Expenses		1,228.18		847.36
26.6 Export Expenses				
26.7.1 Packing & Forwarding	836.44		761.51	
26.7.2 Freight	1,009.17		977.27	
26.7.3 Commission	602.56		572.49	
26.7.4 Warehousing Charges	501.91		566.02	
26.7.5 Others	<u>143.92</u>	3,094.00	<u>97.17</u>	2,974.46
26.8 Loss on fixed assets sold / scrapped / written off		0.00		3.51
26.9 Miscellaneous expenses		2,392.64		1,459.99
Total		24,638.49		18,094.74
Miscellaneous expenses includes payment to auditors comprising of :				
As auditors - statutory audit		19.01		13.63
For taxation matters		1.35		1.35
Reimbursement of Expenses / Service Tax		2.91		2.59
Total		23.27		17.57

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

27.1 Contingent liabilities and commitments (to the extent not provided for)				
27.1.1 Contingent Liabilities - Foreign Bills Discounted with Bank		246.71		665.08

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

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

Particulars	As at 31 March 2019	As at 31 March 2018		
29.3 The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:	Receivable/ (Payable)	Receivable/ (Payable)		
Receivable/ (Payable) in Foreign Currency	NIL	NIL		
	For the year ended 31 March 2019	For the year ended 31 March 2018		
29.4 Value of imports calculated on CIF basis				
Raw materials	-	-		
Consumable Stores / Tools	65.60	51.29		
Machinery Spares	3.32	0.62		
Capital goods	6,999.55	1,020.21		
29.5 Expenditure in foreign currency				
Travelling	108.12	129.99		
Export Expenses	740.54	1,558.36		
Staff Training	-	0.05		
29.6 Details of consumption of imported and indigenous items				
	31st Mar 2019	31st Mar 2018		
<u>Imported</u>	₹ in Lakhs	%	₹ in Lakhs	%
Raw materials	-	0.00%	-	0.00%
Consumable Stores / Tools	65.60	1.28%	51.29	1.53%
Machinery Spares	3.32	0.20%	0.62	0.05%
	68.92		51.91	
<u>Indigenous</u>				
Raw materials	45,525.14	100.00%	28,725.34	100.00%
Consumable Stores / Tools	5,051.15	98.72%	3,303.37	98.47%
Machinery Spares	1,625.23	99.80%	1,228.17	99.95%
	52,201.52		33,256.88	
29.7 Earnings in foreign exchange				
Export of goods calculated on CIF basis			44,114.63	34,546.26
Note 30 Disclosures under Accounting Standards (contd.)				
30.1 Details of government grants			Nil	Nil
30.2 Details of borrowing costs capitalised				
Borrowing costs capitalised during the year				
- as fixed assets / intangible assets / capital work-in-progress			-	-
- as inventory			-	-
30.3 - Claims against the Company not acknowledged as debts				
The Company has received claim from Commercial Taxes Department - Demanding a sum of ₹ 196.64 lakhs, on the ground that forgings falls under automobile components.				
In matters of similar nature, Sales Tax Appellate Tribunal has already <u>deleted</u> the demand by the department. Hence no provision is required in this regard. The Company has already <u>paid</u> a sum of ₹ 116.38 lakhs against the same, which is treated as advance refundable				
Note 31 Deferred Tax Liability				
Tax Effect of Items constituting the same:-				
on difference between book balance and tax balance of Fixed Assets			1,864.21	1,342.18

Consolidated Cash Flow Statement for the year ended 31st March 2018

(₹ in lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
A Cash Flow From Operating Activities		
Net Profit / (Loss) before extraordinary items and tax	10,605.51	7,417.49
<i>Adjustments for:</i>		
Depreciation and amortisation	5,807.39	4,643.97
(Profit) / Loss on sale / write off of assets	(2.41)	(13.70)
Finance costs	3,158.32	1,349.25
Interest income	(750.94)	(105.17)
Dividend income	(770.45)	(1,060.64)
	7,441.91	4,813.71
Operating Profit / (Loss) before working capital changes	18,047.42	12,231.20
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(6,777.24)	(5,754.68)
Trade receivables	(2,775.20)	(4,204.68)
Short-term loans and advances	(1,116.40)	(837.09)
Long-term loans and advances	(228.06)	(4,077.20)
Other current assets	(56.08)	3.43
Other non-current assets	(374.51)	21.71
<i>Adjustments for increase/(decrease) in operating liabilities</i>		
Trade payables	(870.39)	3,451.67
Other current liabilities	1,682.22	(2,829.05)
Other long-term liabilities	1,533.00	(303.83)
	(8,982.66)	(14,529.72)
Cash generated from operations	9,064.76	(2,298.52)
Net income tax (paid) / refunds	2,588.31	1,902.24
Net cash flow from / (used in) operating activities (A)	6,476.45	(4,200.76)
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(31,522.96)	(10,259.39)
Proceeds from sale of fixed assets	2.41	928.56
Long Term Investments	(58.22)	(413.12)
Interest received	750.94	105.17
Dividend received	770.45	1,060.64
Bank Deposit having original maturity over three months	0.00	0.00
Net cash flow from / (used in) investing activities (B)	(30,057.38)	(8,578.14)
C. Cash flow from financing activities		
Proceeds from long-term borrowings(Net)	23,042.65	4,478.72
Repayment of long-term borrowings(Net)	0.00	0.00
Net increase / (decrease) in working capital borrowings	5,885.15	8,888.77
Repayment of other short-term borrowings	0.00	0.00
Finance cost	(3,158.32)	(1,349.25)
Interim Dividend / Tax on Dividend	(708.97)	(701.43)
Dividends paid	(603.52)	(120.70)
Tax on dividend	(97.91)	(19.58)
Net cash flow from / (used in) financing activities (C)	24,359.08	11,176.53
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	778.15	3,025.99
Cash and cash equivalents at the beginning of the year	16,429.49	13,403.50
Cash and cash equivalents at the end of the year	17,207.65	16,429.49
	778.15	3,025.99

In terms of our Report of even date

For GRNK & Co.
 Chartered Accountants
 FRN 016847S

Vidyashankar Krishnan
 Chairman of this Meeting -
 Vice Chairman and Managing Director
 (DIN : 00081441)

V.Vaidyanathan
 Director
 (DIN : 00081792)

G. R. Naresh Kumar
 Proprietor
 Membership no. 215577

Kavitha Vijay
 Director
 (DIN : 01047261)

J.Sumathi
 Company Secretary

 Place : Chennai
 Date : 28 May 2019

R.Venkatakrishnan
 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	(898.54)
7	Total assets	8,624.58
8	Total Liabilities	9,693.31
9	Investments	NIL
10	Turnover	3,019.31
11	Profit before taxation	(251.00)
12	Provision for taxation	NIL
13	Profit after taxation	(251.00)
14	Proposed Dividend	NIL
15	% of Shareholding	100%

Note

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

**Part B Associates and Joint Ventures**

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

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

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

In terms of our Report of even date

For GRNK & Co.
Chartered Accountants
FRN 016847S

Vidyashankar Krishnan
Chairman of this Meeting -
Vice Chairman and Managing Director
(DIN : 00081441)

V.Vaidyanathan
Director
(DIN : 00081792)

G. R. Naresh Kumar
Proprietor
Membership no. 215577

Kavitha Vijay
Director
(DIN : 01047261)

J.Sumathi
Company Secretary

Place : Chennai
Date : 28 May 2019

R.Venkatakrishnan
Chief Financial Officer

**Form No. MGT-11****Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L51102TN1946PLC001473

Name of the company: M M FORGINGS LIMITED

Registered office: 'SVK Towers', 8th Floor, A 25, Industrial Estate, Guindy, Chennai - 600032

1	Name(s) of Member(s) including joint holders, if any (in Block Letter(s))	
2	Registered Address of the Sole/ First named Member	
3	Registered Folio No. / DPID No. / Client ID No. (* Applicable to investors holding shares in demat form)	
4	No. of Shares held	

I/We, being the member (s) of shares of the above named company, hereby appoint

- Name :
Address :
E-mail ID : Signature :or failing him,
- Name :
Address :
E-mail ID : Signature :or failing him,
- Name :
Address :
E-mail ID : Signature :or failing him,

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting of the company, to be held at Music Academy (Mini Hall) Old No. 306, New No. 168, T.T.K. Road, Royapettah, Chennai 600014 on Thursday, 29 August 2019 at 11.30 A.M. and at any adjournment thereof in respect of all the resolutions as are indicated below:

SL. No.	RESOLUTIONS	For	Against
	Ordinary Business / Ordinary Resolution		
1	For adoption of Audited Financial Statements for the year 31 March 2019		
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.		

SL. No.	RESOLUTIONS		
		For	Against
	Special Business		
3.	Special Resolution : Reappointment of Smt. Kavitha Vijay as an Independent Director		
4.	Ordinary Resolution : Ratification of Remuneration Paid to the Cost Auditor		

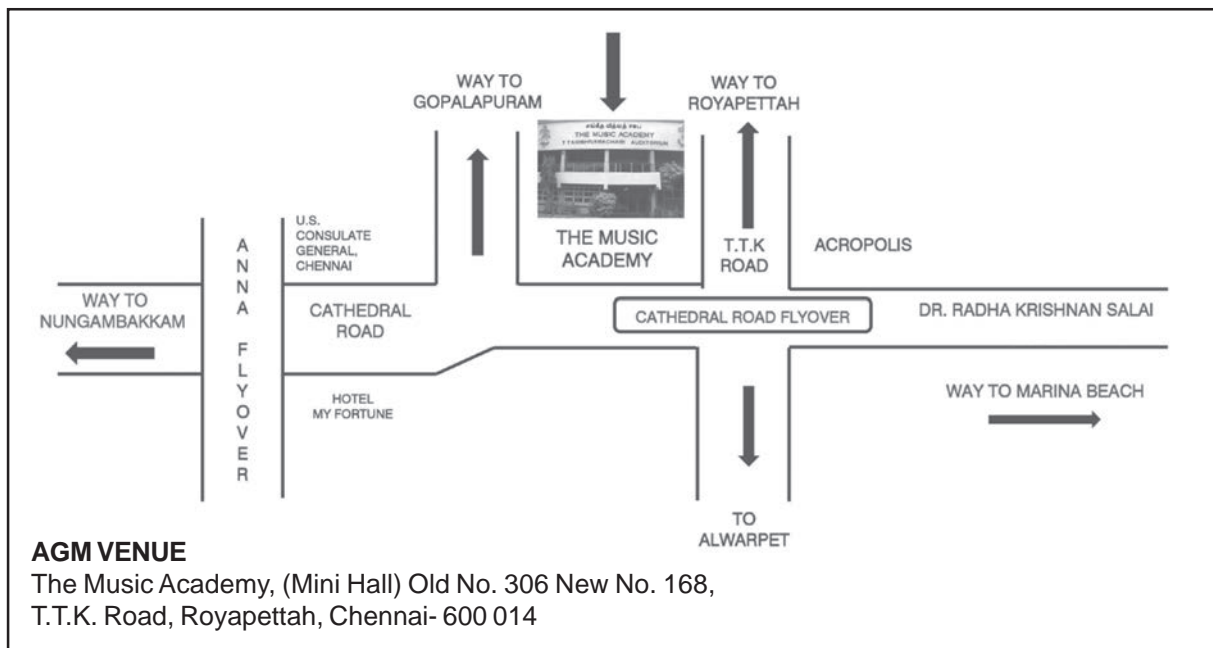
Signed this

Signature of shareholder

Affix 1/-
Revenue
Stamp

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



**Cameo Corporate Services Limited**

Unit: M M Forgings limited
"Subramaniam Building, Fifth Floor,
No. 1, Club House Road, Chennai – 600002

Change of Address (physical shares)

Place:
Date:
Folio No (s)
(To be filled by the Shareholders)

Dear Sirs,

Kindly take on record my address for your future communications.

Name and New Address : _____

To handover at the entrance of the Meeting Hall

Attendance Slip

Name of the attending Member _____

Member's Folio No/ DP Id - Client Id _____

No. of Shares _____

Name of the Proxy _____

(To be filled in if the Proxy attends instead of the Member)

I, hereby record my presence at the 73rd Annual General Meeting of M M Forgings Limited at Music Academy (Mini Hall) Old No. 306, New No. 168, T.T.K. Road, Royapettah, Chennai 600014 on Thursday, 29 August 2019 at 11.30 A.M.

Member's / Proxy Signature

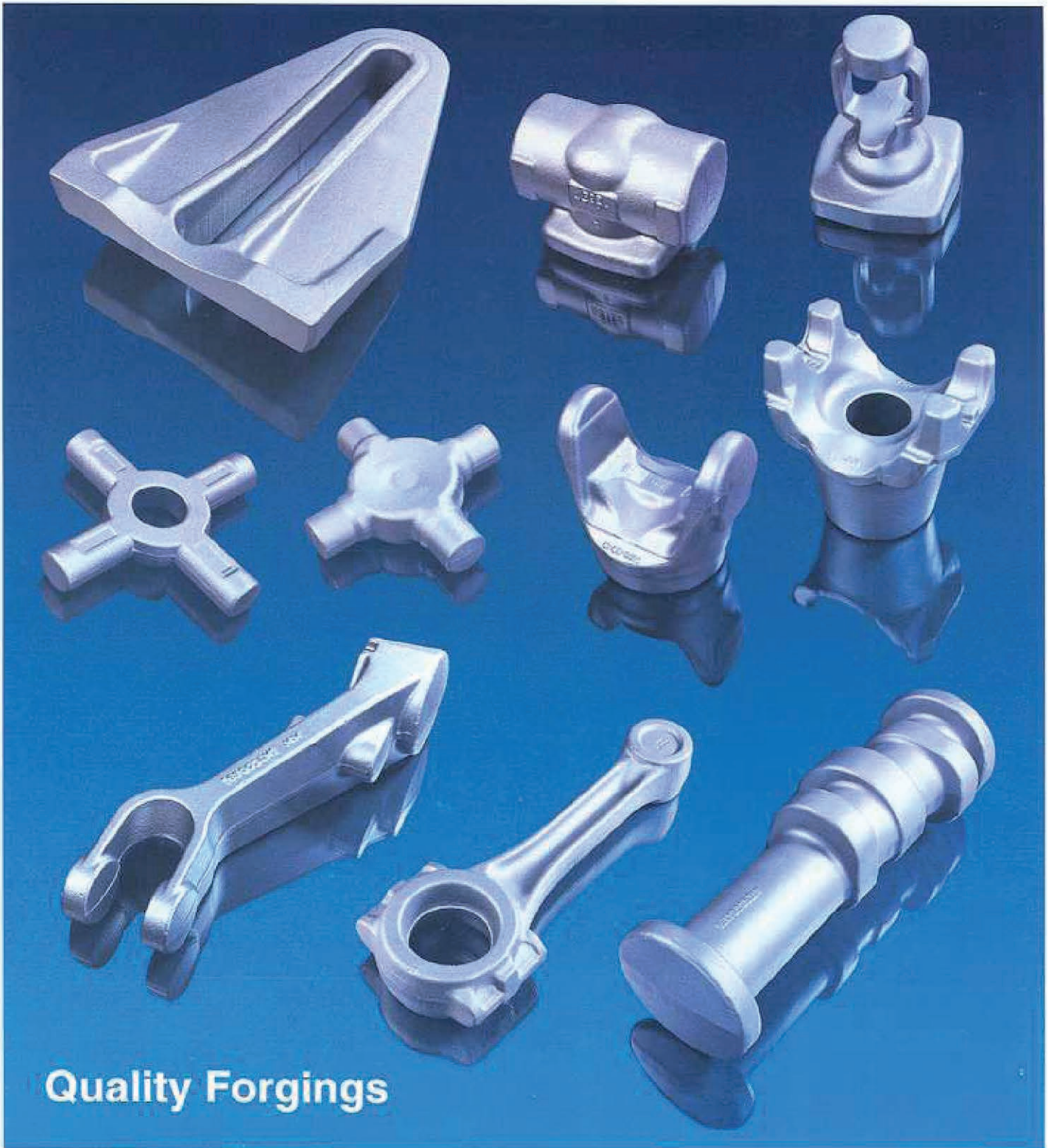
Note: Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.

E-VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	USER ID	Existing Password*
190621003	Folio No. / Client ID	PAN Number / Bank Account No / Date of Birth

*voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
Monday, 26 August 2019 at 10.00 a.m.	Wednesday, 28 August 2019 at 5.00 p.m.



Quality Forgings