
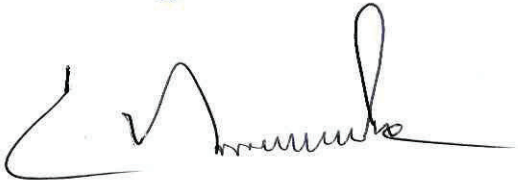



MM FORGINGS LIMITED

CORPORATE OFFICE : "GUINDY HOUSE", 95, ANNA SALAI, CHENNAI - 600 032. INDIA

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

S.No.		
1	Name of the company	M M Forgings Limited
2	Annual financial statements for the year ended	31 March 2015
3	Type of Audit observation Unqualified / Matter of Emphasis	Unqualified
4	Frequency of observation	Nil
5	To be signed by- • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman	  S. Sridhar 

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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

Internal Auditor

Shri. N. Ramnath

Secretarial Auditors

S. Dhanapal & Associates
Suite No. 103, 1st Floor, Kaveri Complex,
96/104, Nungambakkam, Chennai - 600 034
Ph : 044 45530256 C.P. No. 7028

Registered Office

95, Anna Salai, Guindy, Chennai – 600 032
Phone : 044 -22352153
Fax No. 044- 22352160
E-mail : mmforge@mmforgings.com

Solar site

Bommakkotai/ Kalayar Karisalkulam
Village, Aruppukottai- 626105,
Virudhunagar District

Bankers

Share Transfer Agents

Directors

Shri. V. Vaidyanathan
Shri. A. Gopalakrishnan
Smt. Kavitha Vijay

Jt. Managing Director

Shri. K. Venkatramanan

Statutory Auditors

M/s. G. Ramesh Kumar & Co.
Membership No. 200 / 18663
28, Akila Lands, Ganapathy Colony (South)
Thiruvanaikoil, Tirchirapalli – 620 005
Phone No. 0431 2432931 / 2433140
Firm Registration No.: 003010S

Cost Auditor

Shri. S. Hariharan
Sri Sapthagiri Homes
S.S. IInd Floor, Pulimandapam Road,
Srirangam, Trichy - 620006
Ph : 0431 2435021 C.P. No. 20864

Factories

Singampunari – 630 502, Tamil Nadu

Viralimalai – 621 316, Tamil Nadu

A 24 / 25, Thiru – vi – ka – Industrial Estate
Guindy, Chennai

Karanaitthangal Village, Mathur Post – 602 105
Sriperumbudur Taluk, Kancheepuram District

Windfarm

Panakudi, Tirunelveli District, Tamilnadu
Meenakshipuram, Theni District, Tamilnadu
Kulasekharamangalam, Sankaran Koil taluk,
Tirunelveli -627756

Kallapalayam, Coimbatore District

State Bank of Travancore

Commercial Branch, 556, Mount Road Branch,
Teynampet, Chennai – 600 018

Citibank N.A

163, Anna Salai, Chennai - 600002

State Bank of India

IFB,155, Anna Salai, Chennai – 600 002

DBS Bank

806, Anna Salai, Chennai - 600002

Cameo Corporate Services Limited

'Subramanian Building', Fifth Floor
No. 1, Club House Road, Chennai – 600 002
Phone : 044 - 28460390—94



Notice To Shareholder

NOTICE IS HEREBY GIVEN THAT THE **SIXTY NINTH** ANNUAL GENERAL MEETING OF MM FORGINGS LIMITED will be held at Narada Gana Sabha (Mini Hall), 314, T.T.K. Road, Chennai- 600 018 on Wednesday, 26 August 2015 at 11.45 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 31st March, 2015 including Audited Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri K. Venkatramanan, (holding DIN 00823317) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring Auditors, G. Ramesh Kumar & Co., Chartered Accountants, Tiruchirapalli are eligible for reappointment. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution.

“RESOLVED THAT G. Ramesh Kumar & Co., Chartered Accountants be and are hereby appointed Auditors of the Company from the conclusion of this Annual General Meeting of the Company until the conclusion of next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors, exclusive of traveling and other out of pocket expenses.”

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Ordinary 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), be and is hereby appointed as an Independent Director of the Company who shall hold office for five consecutive years from the date of this Annual General Meeting and the provisions of Sec.152 (6)and (7) in respect of retirement of directors by rotation shall not be applicable to appointment of independent director, Smt. Kavitha Vijay.”

“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 2015 as may be decided by the Board from time to time.”

5. To ratify the appointment of Cost Auditors for the year 2015-16 by passing the following as an Ordinary Resolution:

“RESOLVED THAT, subject to such guidelines and approval as may be required from the Central Government the reappointment of Shri S. Hariharan, Cost Accountants, Tiruchirapali, as Cost Auditor to audit the cost records maintained by the Company for the Financial Year 2015-16 on a remuneration of ₹ 60,000 plus Out of pocket expenses of ₹ 15,000, totaling ₹ 75,000 and future remuneration as may be decided by the Board be and is hereby ratified.”

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

J.SUMATHI

Company Secretary
Membership No. 8621

Date : 18 May 2015

Place : Kodaikanal

**IMPORTANT NOTES:**

1. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer books of the Company will remain closed from (both days inclusive) for annual closing.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. **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.
4. 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.
5. Under Section 205A of the Companies Act, 1956, 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 ₹ 1,82,164 pertaining to the dividend for the year 2006 - 2007, on 13 October 2014, to the Investor Education and Protection Fund of the Central Government. The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2008 – 2014, as on the date of the 68th Annual General Meeting (AGM) held on 27 August 2014, 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.
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. Details under Clause 49 of the Listing Agreement with the Stock Exchange 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.



9. Electronic copy of the Annual Report for 2015 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 2015 is being sent in the permitted mode.
10. Electronic copy of the Notice of the 69th 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 69th 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.
11. Shareholders seeking any information with regard to accounts are requested to send their queries at least 7 days before the meeting so as to enable the company to keep the information ready.
12. Member / Proxy holder should bring the attendance slip duly filled in voting through electronic means for attending the meeting.
13. Reappointment of Director retiring by rotation. Reappointment of Shri. K. Venkatramanan retiring by rotation: Shri. K. Venkatramanan is liable to retire by rotation at the 69th AGM, and being eligible has offered himself for reappointment.

Mr. K. Venkatramanan has a Bachelor of Engineering degree. He has 21 years of experience. He joined the Board as an Additional Director of the Company on 21st April 1997. With effect from February 24, 1999 he became the Joint Managing Director in this Company. He has been responsible for the tremendous growth in the sales and profits of the company. His accomplishments include a 10 fold increase in export sales.

14. Voting through electronic means

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select "M M Forgings Ltd" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) 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. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	



*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 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. Eg. If your name is Praveen Kumar with sequence number 1 then enter PR00000001 in the PAN field.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for M M Forgings Ltd on which you choose to vote.
- (xi) 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.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password and enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) **The voting period begins on 23rd August 2015 at 10.00 a.m. and ends on 25th August 2015 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 19 August 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.



- (C) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (D) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (E) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date .
- (F) In accordance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, Company is providing facility for voting by electronic means (remote e-voting) and the business may be transacted through such voting. Further, the facility for voting either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The Board of Directors has appointed Shri M. Damodaran, Practicing Company Secretary (Membership No. 5081), Chennai, as the Scrutinizer, for conducting the e-voting process in a fair and transparent manner. The Company has engaged the services of Central Depository Services (India) Limited (“CDSL”) to provide e-voting facilities enabling the members to cast their vote in a secured manner. It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link www.evotingindia.com during the following voting period:
- (G) The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again
- (H) The Scrutinizer will submit his report to the Company after completion of the scrutiny and the results of the ballot / e-voting will be announced by the Company on its website – www.mmforgings.com within three days of the Annual General Meeting.
15. 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.
16. Corporate Member’s Authorised Representative:
Corporate Members intending to send their authorised representatives to attend the meeting are requested to send to the Company, a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
17. Request to physical share holders to consider to change their holding as Demat Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact either the Company or RTA, for assistance in this regard.
18. Multiple Folio holders to convert their holdings into single:
Members who are holding shares in more than one folio are requested to intimate to the Registrar and Share Transfer Agent, the details of all folio numbers for consolidation into a single folio.
19. Request to update their e-mail to get soft copy of Annual Report:
The Company is concerned about the environment and utilizes the natural resources in a sustainable way. We request you to update your email address with your Depository Participant or RTA to enable us to send Annual Report, Notices and all other communications via email.
20. Request to intimate changes in registered address with the company:
Members holding shares in physical form are requested to send all correspondence with respect to the updation of their bank details, transfer of shares, change of address, conversion of physical shares into Demat form etc., to RTA



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

ITEM NO. 4:

As per the amended clause of the Listing Agreement, a Woman Director has to be inducted in the Board of Directors of the Company, with effect from 01 April 2015. In compliance with the above rules, the Board appointed Smt. Kavitha Vijay (Din no. 01047261) as an Additional Director with effect from 01 April 2015, by way of circular resolution.

Smt. Kavitha Vijay has been in corporate law practice for about 10 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, Mr. Suresh. N. Talwar and has also interned with the retired Justice Mrs. 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. CML Media Software Private Limited.
2. Data Cert Consulting Private Limited.

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

A notice along with deposit of ₹ 100000/- has been received from a member proposing Smt. Kavitha Vijay as a candidate for the office of Director of the Company

In the opinion of the Board, Smt. Kavitha Vijay fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Smt. Kavitha Vijay as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that it would be of immense benefit to the Company and is desirable 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.

Except Smt. Kavitha Vijay, being an appointee, none of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange



ITEM NO. 5 :

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 18 May 2015, ought to be ratified by the shareholders subsequently.

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.5.

The above resolution does not affect any other company.

The letter of appointment of Shri S. Hariharan setting out the terms and conditions of his appointment and remuneration is available for inspection.

PERFORMANCE HISTORY

(₹ in lakhs)

DESCRIPTION/YEAR	FY6	FY7	FY8	FY9	FY10	FY11	FY12	FY13	FY14	FY15
INCOME										
Sales - Exports	9564.91	10581.48	11255.01	13267.88	10417.74	18294.07	23905.35	25396.52	29112.09	35059.10
- Domestic	6931.38	7064.97	7839.53	7413.07	5426.22	8295.11	10476.61	9627.13	10961.82	13891.22
- Total	16496.29	17646.45	19094.54	20680.95	15843.96	26589.18	34381.96	35023.65	40073.91	48950.32
Other Operating Income	409.63	481.66	522.84	673.07	598.47	622.89	641.29	1088.14	1069.56	1303.08
Other Income	17.98	83.35	73.21	82.93	114.15	985.88	735.93	51.29	315.88	241.28
TOTAL INCOME	16923.90	18211.46	19690.59	21436.95	16556.58	28197.95	35759.18	36163.08	41459.35	50494.68
Operating Profit	3338.20	3938.92	4294.48	3891.58	2938.55	6318.08	6566.97	5783.49	8200.09	11281.19
Profit After Tax	1209.76	1408.29	1478.86	1022.52	1041.66	2971.09	2675.46	2444.96	2931.90	5054.82
Reserves & Surplus	5817.83	7014.29	8140.11	8347.28	9177.11	11722.53	13977.08	16001.18	18371.91	22585.00
Dividend including tax paid	204.72	211.83	353.04	211.83	211.83	422.25	420.85	420.85	561.14	841.72
Dividend	30%	30%	50%	15%	15%	30%	30%	30%	40%	60%
Share Capital	603.52	603.52	603.52	1207.04	1207.04	1207.04	1207.04	1207.04	1207.04	1207.04
Earnings per share	20.05	23.33	24.50	8.47	8.63	24.61	22.17	20.26	24.29	41.88
Bonus Share			1 : 1							
Return on Capital Employed	26.5%	29.0%	24.2%	20.4%	14.0%	20.2%	19.3%	17.8%	22.5%	25.8%
Return on Net Worth	17.3%	16.7%	16.8%	10.7%	9.3%	22.4%	17.7%	13.7%	14.51%	20.54%
Dividend as a % to PAT	16.9%	15.0%	23.9%	20.7%	20.3%	14.2%	15.7%	17.2%	19.1%	16.7%
Working Capital	2562.35	2611.88	3637.72	3343.93	4314.15	7344.89	7299.61	7434.43	10251.78	9178.08
W C as a % to sales	15.1%	14.3%	18.5%	15.6%	26.1%	26.0%	20.4%	20.6%	24.7%	18.2%
Current Ratio	1.63	1.33	1.47	1.97	1.50	1.47	1.54	1.50	1.41	1.92
TOL / NW	1.22	1.02	1.44	1.27	1.26	1.19	1.17	1.05	0.87	0.93
Debt / Equity	0.55	0.37	0.69	0.82	0.69	0.43	0.53	0.41	0.25	0.41

M M FORGINGS LIMITED

Director's Report

1. FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2015

	(₹ in Lakhs)	
	2014-15	2013-14
1.1. Forging Sales	48,950.32	40,073.91
1.2. Profit before exceptional items/ extraordinary items and Tax	6,865.02	3,680.49
1.3. Exceptional/Extraordinary Items	1.42	161.12
1.4. Profit Before Tax	6,866.44	3,841.61
1.5. Tax		
For current year	1,690.00	916.30
Relating to previous years	36.92	9.87
MAT credit entitlement		(90.48)
Deferred Tax	<u>84.70</u>	<u>74.00</u>
	1,811.62	909.69
Profit After Tax	5,054.82	2,931.92

Sales of forgings grew substantially by 22%. Sales Turnover crossed ₹ 500 Crores for the first time in the Company's History. The performance is quite above market conditions. The Directors commend the employees for their commitment and contribution.

2. DIVIDEND AND FINANCIAL RESULTS:

	(₹ in Lakhs)	
	2014-15	2013 -14
2.1. Profit After Tax	5,054.82	2,931.92
2.2. Balance in P & L Account	463.97	493.19
2.3. Profit available for appropriation	5,518.76	3,425.11
2.4. Transfer to General Reserve	4,500.00	2,400.00
2.5. Interim Dividend paid	420.86	280.57
2.6. Interim Dividend inclusive of taxes	420.86	280.57
2.7. Balance carried forward	177.07	463.97

The Directors had declared a second Interim Dividend of 30% - ₹ 3/- per share of face value of ₹ 10/- each on 18th May 2015. The Directors earlier declared first Interim Dividend of ₹ 3/- per share and the same was paid on 11 November 2014. With this, the total Dividend for the year ended 31st March 2015, will aggregate to ₹ 6/- per share. The Directors do not recommend any final dividend for the year 2014 – 2015.

3. HIGHLIGHTS OF THE COMPANY'S OPERATIONAL PERFORMANCE

- 3.1. Sales Turnover of the Company crossed ₹ 500 Crores for the first time in the Company's History.
- 3.2. Exports at ₹ 350.59 Crores accounting for 72% of Company's Sales. The Company has crossed the ₹ 350 Crore mark for the first time in export sales. The Company continues to be one of the largest exporter of forgings from India and has received 25 consecutive Annual Awards from The Engineering Exports Promotion Council since 1989.
- 3.3. The Company has also crossed the ₹ 100 Crore mark for the first time in domestic sales.
- 3.4. The Company continues to be a net foreign exchange earner. The net foreign exchange earnings during the current year were ₹ 308.91 Crores.
- 3.5. The Company has retained its ISO 9001 and TS 16949 Certification for its Quality Management.



3.6. The capital expenditure during the year was ₹ 61.15 Crores. Machining capacity has been substantially increased in line with customer demand. The Company also produces **Green Energy** in its Solar and in Wind farms.

3.7. The Directors increased the Dividend by 20% over previous year and declared 60%.

4. **EXPENSES MADE MORE THAN 10 % OF THE TURNOVER**

Raw Material – 211.84 crores (42%)

5. **MANAGEMENT DISCUSSION AND ANALYSIS :**

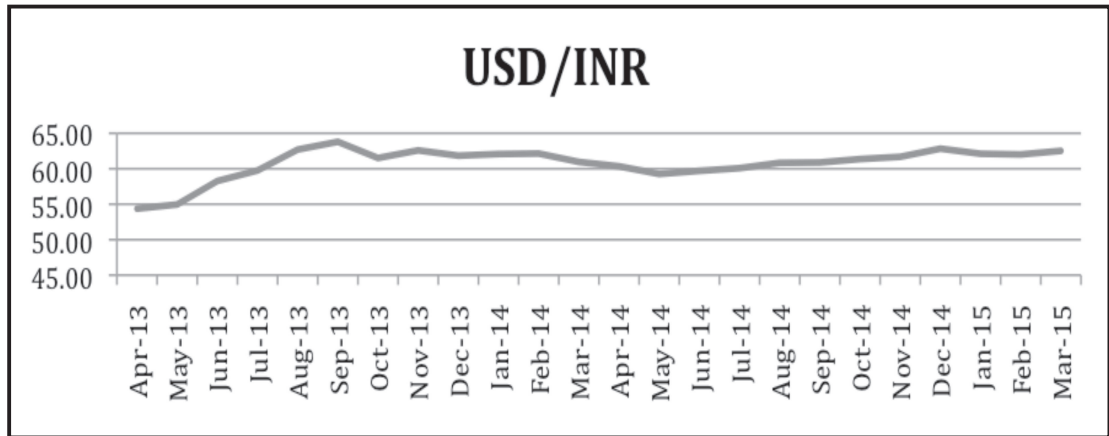
GLOBAL SCENE

1. The last fiscal 2014-15 saw a further firming up of equity markets from the increases of previous year. Globally, the availability of “cheap money” was a significant contributing factor for this.
2. North America –The US and Canadian economies continues to exhibit resilience and have shown strong performance compared to their peers amongst G7 economies. Per the World Economic Outlook of the IMF (www.imf.org/external/pubs/ft/weo/2015/01), “Growth in the US has been energetic, averaging 3.9% annualised in the last three quarters of 2014. Consumption – the main engine of growth – has benefited from steady job creation and income growth, lower oil prices, and improved consumer confidence.”
3. 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.
4. Europe – The Euro has weathered the pressures on account of the floundering economies of Portugal, Ireland, Greece and Spain (PIGS countries). The Euro (EUR) has depreciated versus the US Dollar (USD) by about 25% on account of the volatility due to Greece.
5. Germany along with a few countries bordering the North Sea continue to be pillars of the European economy. Their relative prosperity forms the back bone of the efforts to keep the EU and ECU integrated. The moribund labour markets in France is a considerable risk to the very EU itself. The Italian economy is also in stasis with very high public debt leaving very little room for maneuvering.
6. The rigid labour markets of Europe, absence of political union, unwillingness of the German public to bear a higher burden, significant welfare commitments, large share of government spending in the economy, etc., are some of the significant structural issues. Countries like Spain, Ireland, etc., have embarked on a journey of significant and painful structural reforms which are starting to bear fruit.
7. The significant challenge for European leadership is the management of structural reforms and containment of public spending without causing social turbulence.
8. China – the Chinese economy has grown by around 7.7% in 2014, maintaining the same level as in the preceding year. The Chinese economy is showing signs of considerable slow-down on account of slow down in real estate and NPAs in the banking sector. However, because it is a controlled economy, there are reasonable chances of the leadership managing a slow down without a crash landing. Further fall in growth in China is expected to drag the global economy.
9. Japan – Initially benefitted from Abenomics, the radical monetary expansion, fiscal stimulus and structural reforms, promulgated by Mr.Shinzo Abe, the Prime Minister of Japan. However, the effects of the fiscal stimulus have worn off in 2015, during which year a real GDP growth of 1.0% has been achieved as against 1.6% in 2014.
10. Commodities – The Dow Jones Commodity Index (DJCI) has fallen by 25% in the last one year due to considerable weakness in commodities.
11. Overall, Global output is expected to have grown around 3.3% per various economic think tanks. Across mature economies, the 2015 growth outlook has improved significantly to 2.3 percent growth in 2015, compared to 1.9 percent in 2014.
12. The issue of high levels of sovereign debt which most countries have run up over the last two decades, continues to be of serious concern. The next few years appear to be a consolidation phase for the global economy with growth stuck in a range of 3-4%. Getting out of high levels of sovereign debt without derailing economies into recession will be a significant conundrum.

INDIA

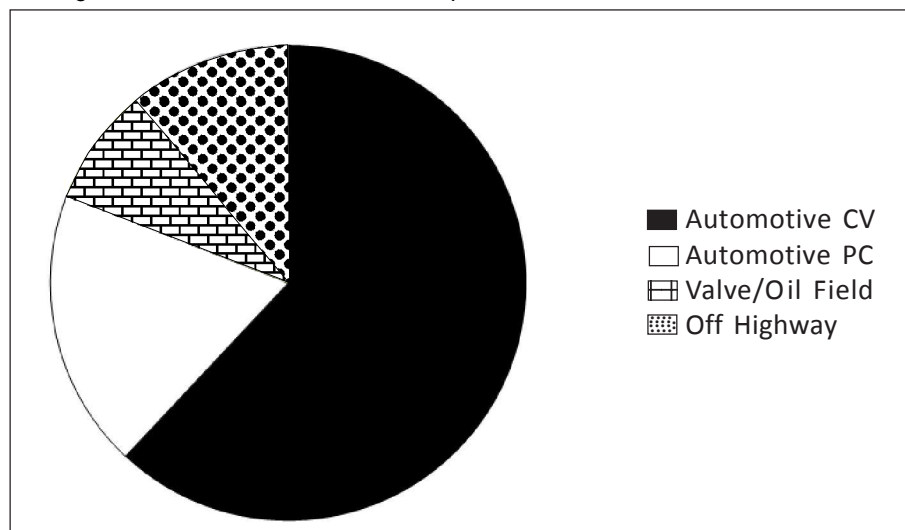
13. The Indian economy is expected to grow by approximately 7.5% in F15 as compared to about 7.2% in F14.

14. During F15 the automotive industry posted growth rates of approximately 4% in the car segment and 17% in the CV segment.
15. Steel prices have dropped by about 3% compared to the highs of the previous year.
16. The INR ended the year lower by approximately 4%, ending the year at a level of ₹ 62.169 per USD. Please refer graph below. Further weakening of the INR is anticipated. However, if FDI inflows are strong, the pressure on the INR will be relieved.



M M FORGINGS – forging ahead

17. The following were important developments witnessed during the year :
 - ❖ Record sales! – Domestic sales crossed ‘100 crore mark! Export sales crossed ‘350 crore mark!
 - ❖ Record production of 38,260 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 growth of 27% in domestic sales by the development of new parts. Riding on the back of strong global demand, export sales grew by 20%.
 - ❖ Changes in steel prices which are in line with international markets are 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.
18. Overall sales increased by 22.15%. As highlighted in the Directors’ Report, Return On Net Worth is 20.54% and Return On Capital Employed is 25.79%. Current Ratio is 1.92. The total outside liabilities to net worth stands at 0.93. Debt Equity Ratio is 0.41.
19. The details of segment-wise sales distribution are provided below:





Human Resources and Industrial Relations

20. Your company continues to focus on the development of its human resources to improve its performance. The company currently has approximately 1330 employees. It is their invaluable contribution that has primarily resulted in your company's position of strength in the industry.
21. 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.
22. 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

23. 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, training and periodic reviews of practices play a vital role in maintaining safety standards.
24. 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

25. 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.
26. 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.
27. 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

28. Our goals in the coming months:
 - ❖ Focus on improving sales in keeping with market conditions.
 - ❖ Increase the production capacity to 65,000 Tons.
 - ❖ Focus on cost reduction continuously - particularly on reducing energy consumption and improving productivity.
 - ❖ Enhance IT systems with the continued development of the ERP system in place.
 - ❖ Continue the evolution into green sources of energy in the coming months.
 - ❖ Reduce the impact on the environment.

6. TRANSFER TO RESERVE

Transfer to General Reserve - ₹ 4500 lakhs

7. PARTICULARS OF LOANS, GURANTEES OR INVESTMENTS UNDER SECTION 186

Not applicable

8. DIRECTORS

- 8.1 Shri. K. Venkatramanan, Director retires by rotation and being eligible, offers himself for reappointment.

8.2 DEATILS OF DIRECTORS OR KEY MANAGEMENT PERSONNEL APPOINTED DURING THE YEAR

In compliance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a Woman Director has to be inducted in the Board of Directors of the Company, with effect from 01 April 2015. Hence, the Board appointed Smt. Kavitha Vijay (DIN 01047261), an advocate, as an Additional, Non – Executive, Independent Director on the Board of Directors with effect from 01 April 2015, by way of Circular Resolution. The term of additional directorship terminates as on the date of this Annual General Meeting. The Board recommends the appointment of Smt Kavitha Vijay, as an Independent Director for a period of 5 years.



9. **DEATILS OF DIRECTORS OR KEY MANAGEMENT PERSONNEL RESIGNED DURING THE YEAR - NIL**
10. **BOARD AND COMMITTEE MEETING DATES**
Details are provided in Annexure III of this Report.
11. **DETAILS OF RECOMMENDATIONS OF AUDIT COMMITTEE WHICH WERE NOT ACCEPTED BY THE BOARD ALONG WITH REASONS - None**
12. **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**
All the transactions with related parties are in the ordinary course of business and on arm's length basis; and there are no material contracts or arrangement or transactions at arm's length basis. Such transactions done in the ordinary course of business has been specified in the Notes on accounts
13. **POLICY ON RELATED PARTY TRANSACTION**
The Company has a policy on Related Party Transaction and the same has been displayed on the Company's website
14. **NOMINATION AND REMUNERATION POLICY**
A Board level Committee of Nomination and Remuneration Committee has been constituted and the Board had adopted Nomination and Remuneration Policy. Human Resources Policy of the Company considers Human Resources as its valuable asset.
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.
Annual Report on CSR has been provided in Annexure III of this Report.
16. **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**
- The Board shall have minimum 3 and maximum 15 directors, unless otherwise approved.
 - No person of age less than 21 years shall be appointed as a director on the Board.
 - The Company shall have such person on the Board who complies with the requirements of the Companies Act, 2013, Provisions of the Listing Agreement, Memorandum of Association and Articles of Association of the Bank and all other statutory provisions and guidelines as may be applicable from time to time.
 - Composition of the Board shall be in compliance with the requirements of Clause 49 of the Listing Agreement of the Stock Exchanges.
 - Majority of the Directors shall have specialised knowledge/experience in the areas like Agriculture, Banking, SSI, Legal, Risk Management, Accountancy, Finance, Windmill, manufacturing of forgings etc.
 - Except for the Vice Chairman and Managing Director and the Joint Managing Director, no other directors are paid remuneration, but are paid only sitting fees and Commission subject to the ceiling provided in the Companies Act, 2013.
 - Vice Chairman and Managing Director / CEO, Company Secretary and Chief Financial Officer shall be the Key Managerial Personnel (KMPs) of the Company.
 - All persons who are Directors / KMPs, members of Senior Management and all other employees shall abide by the Code of Conduct. Directors/KMPs shall not acquire any disqualification and shall be persons of sound integrity and honesty, apart from knowledge, experience, etc. in their respective fields.
17. **PARTICULARS OF EMPLOYEES**
The information required under Section 197(12) of the Companies Act, 2013 and the rules made there under, as amended, 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. N. Srinivasan	2.84 : 1
Shri V. Vaidyanathan	1.51 : 1
Shri A. Gopalakrishnan	1.14 : 1
Shri Vidyashankar Krishnan	126.47 : 1
Vice Chairman and Managing Director (Chief Executive Officer)	
Shri. K. Venkatramanan, Joint Managing Director	123.22 : 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. N. Srinivasan	7.1%
Shri V. Vaidyanathan	14.3%
Shri A. Gopalakrishnan	20.0%
Shri Vidyashankar Krishnan	90.0%
Vice Chairman and Managing Director (Chief Executive Officer)	
Shri. K. Venkatramanan, Joint Managing Director	92.0%
Smt.J.Sumathi	11.4%
Shri.R.Venkatakrishnan	11.2%

18.3 Percentage increase in median remuneration of employees : 18.0%

18.3 The number of permanent employees on the rolls of Company: 1353

18.5 Explanation of relationship between average increase in remuneration and company performance

PAT – (last year) - ₹ 2931.92 Lakhs PAT – (this year) - ₹ 5054.82 Lakhs, Increase - 72.4% against which, the average increase in remuneration is 24.90 %.

18.6 Comparison of remuneration of each KMP against performance of company

Name	Designation	CTC	%increase in CTC	PAT ₹ Lakhs	% in PAT
Vidyashankar Krishnan	CEO	36888975	82.0%	5054.82	72.4%
J.Sumathi	Company Secretary	866400	11.4%	5054.82	72.4%
R.Venkatakrishnan	CFO	1220148	11.2%	5054.82	72.4%

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
31.03.2014	12070400	119	24.29	4.90	143.64
31.03.2015	12070400	678	41.88	16.19	818.37
Increase/ (Decrease)	NIL	559	17.59	11.29	674.73
% of Increase/ (Decrease)	NIL	470%	72%	43.39%	470%



- 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 18%
Average Increase in Remuneration for KMP and Senior Management is 11.39%
- 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 AND 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 OCCURED SINCE 31.03.2015 TILL THE DATE OF THIS 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 at the end of the financial year and of the profit or loss of the company for that period;
- 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 website.
- 23 ADEQUACY OF INTERNAL FINANCIAL CONTROL**
Company has a process to continuously monitor the existing controls and identify gaps, if any. It implements new / improved controls wherever the effect of such gaps would have a material effect on the Company's operation.
- 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 3.
- 25 ANNUAL RETURN**
An extract of Annual Return as on 31 March 2015 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. Their meeting was held on 20 October 2014 the Board's performance, performance of the Chairman and other non-independent Directors.
3. The Board subsequently evaluated performance of the Board, the Committees and Independent Directors (without participation of the relevant director)

27 FAMILIARISATION 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, 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 the time – to time.
- Each member of the Board, including the independent directors, have been given complete access to any information relating to the Company.

28 AUDITORS:

The retiring auditors of the Company, G. Ramesh Kumar & Co., Chartered Accountants, Tiruchirapalli being eligible, offer themselves for reappointment.

29 SECRETARIAL AUDIT REPORT

Pursuant to the requirements of the Companies Act, 2013, the Company has appointed M/s S. Dhanapal & Associates, Practicing Company Secretaries (C.P. No. 7028) as the Secretarial Auditor for FY 2015 whose report of 18 May 2015 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 (C.P. No. 20864) has been appointed as Cost Auditor for the financial year 2015-16.

31 EXPLANATION TO AUDITOR'S REMARKS

Not applicable

32 SEEL- Subsidiary Company

Srivatsa Electric and Electronic Limited – The final Order for dissolution of the Company has been received from the High Court, Chennai.

33 DEPOSITS:

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

34 ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

Disclosures as per requirements of Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in report of the Board of Directors) Rules, 1988 with respect to Energy Conservation, Technology Absorption, Research & Development and Foreign Exchange Earnings / Outgo are given in Annexure



35 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.

36 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.

37 ACKNOWLEDGEMENT:

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

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 : Kodaikanal
Date : 18-May-2015

N. SRINIVASAN
Chairman

Annexure I – to the Directors’ Report:

Information in accordance with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 and forming part of the report of the Directors for the year ended 31 March 2015.

(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 New buildings are set up with natural lighting and energy efficient LED lights. Energy efficient LED lights are also employed in existing buildings wherever replacements occur. We have spent around ₹ 5 lakhs for LED lights last year.
 - 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. Solar Power : The Company has invested around ₹ 165 lakhs in a 255 kWp Roof Top Solar Power Plant as continuation of its investments in renewable energy. The Company has generated 250 lakh units from its wind and solar farms equivalent to approximately 23000 tons of CO₂.
4. Impact of measures at 1, 2 and 3 for reduction of energy consumption and consequent impact on the cost of production of goods: It is not possible to determine the figure.

Form of disclosure of particulars with respect to conservation of energy power and fuel consumption

	2014-15	2013-14
1 ELECTRICITY		
a. Purchased:		
Units	5,16,89,176	4,30,85,251
Total Amount. (₹)	39,15,49,639	32,54,44,313
Rate / Unit (₹)	7.58	7.55
b. Own Generation:		
Units	2,08,319	1,21,308
Units per ltr.	2.74	2.51
Cost / Unit (₹)	46.28	21.94
2 FUEL OIL		
Quantity (in ltrs)	28,07,014	24,22,276
Total amount (₹)	9,93,54,138	11,23,39,951
Average Rate (₹/ltr.)	35.39	46.38
3 CONSUMPTION PER UNIT OF PRODUCTION		
a. Electricity	Units	1358
b. Fuel Oil	Litres	73

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 ₹ 25 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 ₹ 33341.32 lakhs form a significant part of the company's turnover (₹ 28404.02 lakhs in 2013-14)
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	a. Earned: : ₹ 3,50,59,10,487 (₹ 2,91,12,08,621 IN 2013-14) b. Used: ₹ 41,68,31,114 (₹ 52,96,87,359 IN 2013-14)

For and On behalf of the Board

Place : Kodaikanal
Date : 18 May 2015

N. SRINIVASAN
Chairman

ANNEXURE II FORMING PART OF THE REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31.03.2015

Sl. No	Name	Designation	Remuneration ₹	Qualification	Experience (years)	Date of Joining	Age	Last Employment	% of shares held in the Company
a) Employed throughout the year and were in receipt of remuneration at a rate of not less than ₹ 60,00,000 per annum									
1	Shri Vidyashankar Krishnan DIN : 00081441	Vice Chairman and Managing Director	36888975	B.E.,M.S.	25	25.06.1990	49	— Nil —	11.27%
2	Shri. K.Venkatramanan DIN : 00823317	Jt. Managing Director	35864600	B.E.	23	24.01.1992	45	— Nil —	10.71%
b) Employed for a part of the year and were in receipt of remuneration at a rate of not less than ₹ 5,00,000 per month.									
— Nil —									

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 : Kodaikanal
Date : 18 May 2015

N. SRINIVASAN
Chairman



M M FORGINGS LIMITED

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 of 31 March 2015 is as follows:

Category	No. of Directors	%
Executive Directors	2	40
Non-executive, Independent Directors	3	60
Total	5	100

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

Name of the Director	No. of Board Meetings held	No. of Board Meetings Attended	Last AGM attendance (Yes / No)
Shri N. Srinivasan	4	4	Yes
Shri V. Vaidyanathan	4	4	Yes
Shri Vidyashankar Krishnan	4	4	Yes
Shri K. Venkatramanan	4	1	Yes
Shri. A. Gopalakrishnan	4	4	Yes

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

Four Board Meetings were held during the year- 14 May 2014, 06 August 2014, 20 October 2014 and 10 February 2015.

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

2.5. 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 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
- 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.
- Quarterly Report on foreign exchange exposures.
- 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.
- Relationship of directors, whether they are relative to each other or not

2.6. 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, 2015. A certificate from Shri Vidyashankar Krishnan, Vice Chairman and Managing Director to this effect is given below. The said Code is also posted on the website of the Company 'www.mmforgings.com'

2.7. Prevention of Insider Trading:

The Company has framed a code of Conduct for Prevention on trading based on SEBI (Insider Trading) Regulations 1992. 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.

3. Audit Committee (AC):

3.1. Terms of reference: The terms of reference of the AC are in accordance with clause 49 of the Listing Agreement and it includes 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 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. Any other terms of reference as may be included from time to time in Clause 49 of the listing agreement.

3.2. Date of Meetings:

During the year under review, the Committee had 4 meetings held as follows: 14 May 2014, 06 August 2014, 20 October 2014 and 10 February 2015

3.3. Formation and Composition of Audit Committee :

The AC of the Board was formed on 16 June 2001. The Committee was reconstituted as follows with effect from 06 November 2012:

Non executive Chairman : Shri N. Srinivasan

Other members : Shri V. Vaidyanathan, Shri Vidyashankar Krishnan and Shri A. Gopalakrishnan

3.4. Attendance :

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

3.5. Three members are Non- Executive Independent Directors.

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

4. Stakeholders Relationship Committee :

4.1. Formation and no. of meetings held:

The Stakeholders Relationship Committee of the Board was formed on 16 June 2001 to redress the grievances of the Investors / Shareholders.

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

14 May 2014, 06 August 2014, 20 October 2014 and 10 February 2015

**4.1.1. Composition:**

Non – Executive Chairman – Shri V. Vaidyanathan

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

4.1.2. Attendance:

Name	No. of IGC Meetings	No. of IGC Meetings attended
Shri V. Vaidyanathan	4	4
Shri Vidyashankar Krishnan	4	4
Shri K. Venkatramanan	4	1
Shri. A. Gopalakrishnan	4	4

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

4.3. No of Shareholder complaints received during the year: 0

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

4.5. No. of Pending Complaints : 0

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

4.7. 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 25 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 Meetings: (Total no. of meetings – 3) 06 August 2014, 20 October 2014 and 10 February 2015

6.3 Composition:

Non – Executive Chairman – Shri Vidyashankar Krishnan

Other members: Shri V. Vaidyanathan, Shri K. Venkatramanan and Shri.A.Gopalakrishnan

6.4 Attendance:

Name	No. of CSR Meetings	No. of CSR Meetings attended
Shri Vidyashankar Krishnan	3	3
Shri V. Vaidyanathan	3	3
Shri K. Venkatramanan	3	1
Shri. A. Gopalakrishnan	3	3

6.5 Annual Report on CSR

6.5.1 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.

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

6.5.3 Average net profits of the Company for last three financial years : ₹ 32.77 Crores.

6.5.4 Prescribed CSR expenditure (2% of the amount as in item no. 3 above) : ₹ 65.54 lakhs.

6.5.5 Details of CSR spent during the financial year :

6.5.5.1 Total amount spent for the financial year : ₹ 70.33 lakhs

6.5.5.2 Amount unspent if any : NIL (Excess spent)

**6.5.5.3 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	Amount spent : Direct or through implementing agency
1	Eradicating Hunger and Poverty	Livelihood	KarnatakaTamil Nadu Uttaranchal	10.00	10.00	10.00	Direct
2	Education	Education	Maharashtra Tamil Nadu	17.00	19.45	19.45	Direct
3	Combating Diseases	Health	DelhiKarnataka Tamil Nadu	14.00	14.55	14.55	Direct
4	Social Business Projects TOTAL	Social Business	Tamil Nadu	25.00	26.33	26.33	Direct
				66.00	70.33	70.33	Direct

6.5.6 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

6.5.7 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.

For M M Forgings Limited

For M M Forgings Limited

Vidyashankar Krishnan
Chairman , CSR Committee

V. Vaidyanathan
Director

7. Nomination and Remuneration Committee:

7.1 Board's Policy:

7.1.1 Nomination and Remuneration Policy has been framed by the Board of Directors

7.1.2 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 and Key Managerial Personnel, appropriate to employees' role and responsibilities and the Company's goals based on the performance of each of its employees in the Company.

7.2 Composition of the Committee: Shri N. Srinivasan (Chairman), Shri V. Vaidyanathan, Shri. Vidyashankar Krishnan, Shri K. Venkatramanan, and Shri A. Gopalakrishnan

7.3 Date of Meetings: (Total no. of meetings – 3) 06 August 2014, 20 October 2014 and 10 February 2015.

7.4 Attendance :

Name of the Director	No. of Nom. and Remn Meetings held Attended	No. of Nom. and Remn Meetings Attended
Shri N. Srinivasan	3	3
Shri V. Vaidyanathan	3	3
Shri Vidyashankar Krishnan	3	3
Shri K. Venkatramanan	3	1
Shri. A. Gopalakrishnan	3	3

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 Composition of the Committee: Shri Vidyashankar Krishnan (Chairman), Shri K. Venkatramanan, Shri. N. Ramnath, Shri. M.N. Rajesekaran
- 8.3 Date of Meetings: : (Total no. of meetings – 3) 06 August 2014, 20 October 2014 and 10 February 2015.
- 8.4 The Committee has not received any information from Whistle Blower in the current year.

9. Directors' Remuneration:

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

	Mr. Vidyashankar Krishnan		Mr. K. Venkatramanan	
	2015	2014	2015	2014
Salary and allowances	1,74,22,500	1,32,00,633	1,65,60,000	1,25,97,500
Perquisites:				
Provident Fund	13,56,560	10,31,838	13,56,560	10,31,838
Superannuation	15,52,500	10,85,639	15,52,500	10,85,639
Gratuity Insurance	4,03,800	2,82,374	4,03,800	2,82,374
Others	2,73,615	3,79,053	1,11,740	2,95,389
Commission on Profits	1,58,80,000	42,50,000	1,58,80,000	42,50,000
Total	3,68,88,975	2,02,29,537	3,58,64,600	1,95,42,740

9.2. Remuneration of non – executive directors:

Name	Year	Commission in ₹	Sitting Fees in ₹	Total in ₹
Mr. N. Srinivasan	2013-14	700000	24000	724000
	2014-15	750000	53500	803500
Mr. V.Vaidyanathan	2013-14	350000	21000	371000
	2014-15	400000	69500	469500
Mr. A. Gopalakrishnan	2013-14	250000	28000	278000
	2014-15	300000	69500	369500

10 Subsidiary Company

10.1 Winding up of SEEL: The final order has been issued by the High Court, Chennai. The Company has been dissolved

11. General Meetings:

11.1. Location and time, where last three AGMs held:

Financial year	Date	Time	Location
2011-12	03 Aug 2012	3.30 P.M.	Narada Gana Sabha, Chennai
2012-13	29 August 2013	12 Noon	Narada Gana Sabha, Chennai
2013-14	03 August 2014	11.45 A.M.	Narada Gana Sabha, Chennai

11.2. Special Resolutions passed in the previous 3 AGMs:

11.2.1 Resolution passed by way of Postal Ballot in the previous year:

11.2.1.1. Sell, Lease, Mortgage / Charge the properties of the Company situated at Singampunari and Viralimalai

11.2.1.2. To increase the Borrowing limits upto ₹ 500 Crores.

12. Disclosures:

12.1. There were no Related Party Transactions as per Section 188 of the Companies Act 2013 except as provided in the Notes of accounts.

12.2. 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 2015



Name	Category	No. of shares	% to total
Shri. V.Vaidyanathan	Non-Executive Director	6000	0.05
Shri A.Gopalakrishnan	Non-Executive Director	800	0.01
Shri Vidyashankar Krishnan	Executive Director	1360120	11.27
Shri K. Venkatramanan	Executive Director	1292480	10.71
Smt J. Sumathi	Company Secretary	200	0
Shri. R Venkatakrishnan	Chief Financial Officer	1200	0.01

- 12.3. 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 the last years. No penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or other statutory authorities relating to the above.
- 12.4. The company has complied with all the mandatory requirements under the Code of Corporate Governance.
- 12.5. Disclosures regarding appointment or reappointment of Director:
This year Shri. K. Venkatramanan, Director of the Company, shall retire and being eligible, offer himself for reappointment.
Mr. K. Venkatramanan has a Bachelor of Engineering degree. He has 21 years of experience. He joined the Board as an Additional Director of the Company on 21st April 1997. With effect from February 24, 1999 he became the Joint Managing Director in this Company. He has been responsible for the tremendous growth in the sales and profits of the company. His accomplishments include a 10 fold increase in export sales.
- 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 results are displayed on the website of the Company, www.mmforgings.com.
- 14. General Shareholders Information**
- 14.1. Date, time and venue of the Annual General Meeting
Annual General Meeting is proposed to be held on Wednesday, 26 August 2015 at 11.45 A.M. at Narada Gana Sabha, (Mini Hall), Chennai Narada Gana Sabha (Mini Hall), 314, T.T.K. Road, Chennai-600 018
- 14.2. Financial year :01 April 2014 to 31 March 2015
- 14.3. Date of Book Closure : 20th August 2015 - 26th August 2015
- 14.4. Record dates : 28th May 2014 and 5th November 2014
- 14.5. Listing on Stock Exchanges :
The shares of the Company are listed at:
- 14.5.1. 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
- 14.5.2. 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.
- 14.6. 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



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

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

14.7. 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

They are the Common Agency for all Investor Servicing activities relating to both electronic and physical segments.

14.8. Share Transfer System

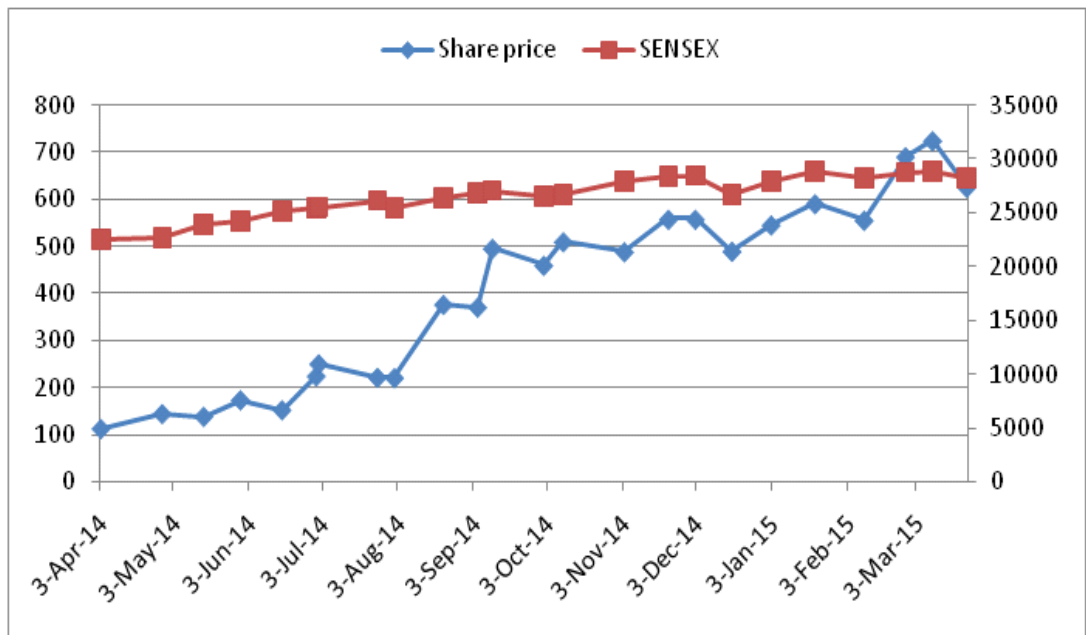
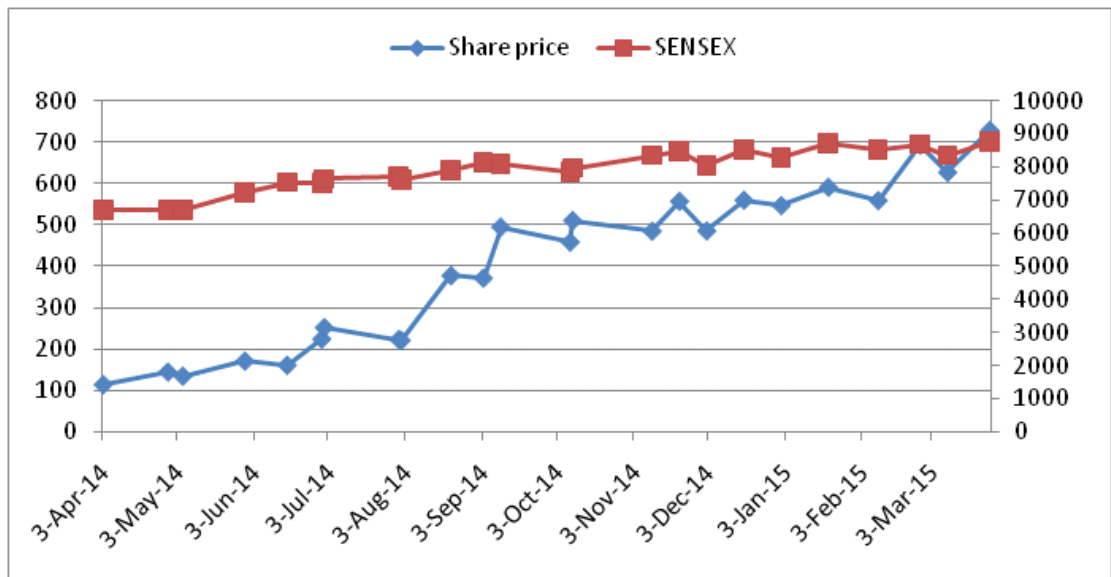
- The Share Transfer Agent (STA) acknowledges and executes transfers of securities. The Share Transfer Committee approves the transfers etc..
- The STA arranges for issue of dividend and reconcile the dividend paid with that of the list of the shareholders.
- The STA also accept, deals with and resolves 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.

14.9. Pattern of shareholding as on 31 March 2015

No. of equity share held	No. of shareholders	% to total	No. of shares held	% of shareholding
1-500	7753	90.87	837519	6.94
501-1000	386	4.52	306151	2.54
1001-2000	165	1.93	252424	2.09
2001-3000	65	0.76	164570	1.36
3001-4000	30	0.35	110836	0.92
4001-5000	21	0.25	100989	0.84
5001-10000	45	0.53	325272	2.69
10000 and above	67	0.79	9972639	82.62
TOTAL	8532	100.00	12070400	100.00

14.10. Shareholding pattern as on 31 March 2015

Category	No. of Share holders	% to total	No. of shares held	% of share holding
Resident Indians	8020	94.01	3456213	28.63
FII	5	0.06	344570	2.85
Financial Institutions/banks	2	0.02	3643	0.03
NRIs	238	2.79	84652	0.70
Domestic Company	247	2.89	438895	3.64
Non-domestic Cos.	0	0	0	0
Trust	2	0.02	15722	0.13
Mutual Funds	8	0.09	917980	7.61
Promoters	10	0.12	6808725	56.41
Total	8532	100.00	12070400	100.00

14.11. Share Performance BSE vs SENSEX

14.12. Share Performance NSE vs Nifty

14.13. Share price data

Month	Bombay Stock Exchange		National Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-14	145	113	146	115
May -14	174	139	172	136
June-14	225	153	225	162
July -14	255	222	253	224
Aug -14	377	221	378	222
Sept-14	496	371	495	372
Oct -14	510	460	511	459
Nov- 14	558	489	557	485
Dec-14	558	490	560	486
Jan -15	591	546	591	547
Feb -15	691	556	693	559
Mar-15	721	656	728	627



- 14.14. Dematerialisation of shares :
11745824 Shares (97.31%) dematerialized as on 31 March 2015.
Promoters: 6808725 (56.41%)
Public: 4514337 (40.90%)
- 14.15. 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
- 14.16. Outstanding GDRs / ADRs / Warrants or any convertible instruments etc
As on 31 March 2014 the company has not issued these types of securities
- 14.17. Plant Location
- 14.17.1. Singampunari – 624 502
- 14.17.2. Viralimalai – 621 316
- 14.17.3. A24/25 Thiru-Vi-Ka Industrial Estate, Guindy, Chennai
- 14.17.4. Karanaithangal Village, Mathur Post – 602 105, Sriperumbudur Taluk, Kancheepuram District
- 14.17.5. Wind farm at Panagudi Village near Muppandal in Tirunelveli District.
- 14.17.6. Wind farm at Meenakshipuram Village, Theni District.
- 14.17.7. Wind farm at Kulasekaramangalam Villlage, Sankaran Kovil Taluk, Tirunelveli – 627 756.
- 14.17.8. Wind farm at Kallapalayam, Coimbatore District.
- 14.17.9. Solar Plant at Bommakkottai, Kalayar Karisalkulam Village, Virudhunagar District, Aruppukottai – 626 105.
- 14.18. Address for correspondence :
The Company's registered office is situated at No.95 Anna Salai,Guindy,
Chennai – 600032.Phone:044-22352153 Fax:044-22352160
Email: mmforge@mmforgings.com
- 14.19. Compliance Officer : Ms.J.Sumathi, Company Secretary
- 14.20. Exclusive Email id for redress of Investor Complaints : sumathi@mmforgings.com
- 14.21. Website : www.mmforgings.com
- 14.22. Details of bonus share certificates returned undelivered – Bonus issue 2005
No. of shareholders at the beginning of the year – 67
No. of outstanding shares at the beginning of the year – 8100
No. of shareholder who approached the issuer for transfer of these shares during the year– 1
No. of shareholder to whom shares were transferred - 1
No. of shareholders at the end of the year– 66
No. of outstanding shares at the end of the year – 8000
- 14.23. Details of bonus share certificates returned undelivered – Bonus issue 2008
No. of shareholders at the beginning of the year – 75
No. of outstanding shares at the beginning of the year – 15900
No. of shareholders who approached the issuer for transfer of these shares during the year–0
No. of shareholders to whom shares were transferred - 0
No. of shareholders at the end of the year– 75
No. of outstanding shares at the end of the year –15900
- 14.24. Unclaimed bonus share certificates had been credited to Suspense Account. The shares shall be issued either in demat form or physical form, when the rightful owner of such shares claims the shares.
- 14.25. Reminder has been sent to those shareholders who have not claimed their bonus shares.



Auditors Certificate on Corporate Governance

To The Members of M M Forgings Ltd

1. We have examined the compliance of conditions of Corporate Governance by M M Forgings Ltd for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s)
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and the representations made to the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. Risk Management is reviewed every quarter at the Board level.
5. As required, we have reviewed the company's procedures for compliance with the provisions of Clause 49 of the Listing Agreement.
6. On the basis of our review and according to the information and explanations given to us and the representations made to us by the Directors and the Management, we state that to the best of our knowledge and belief, the Company has complied in all material respects with the conditions of Corporate Governance stipulated in Clause 49 with the concerned stock exchanges, where the equity shares of the company are listed and traded.

For M/s. G. RAMESH KUMAR & CO.
Chartered Accountants

Place : Kodaikanal
Date : 18 May 2015

G. Ramesh Kumar
Partner
Membership No. 200/18663

CEO Certification

We hereby certify that

1. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief, we state that:
 - 1.1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 1.2. 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. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit committee
 - 4.1. Significant changes, if any, in internal control during the year;
 - 4.2. Significant changes, if any, in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 4.3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Place : Kodaikanal
Date : 18 May 2015

Vidyashankar Krishnan
Vice Chairman and Managing Director

Declaration to the Members pursuant to Clause 49 (1)(D)(ii) of the Listing Agreement

In accordance with Clause 49 1D (ii) of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the Directors and the Senior Management personnel of the company have affirmed compliance with the Code of Conduct, as applicable to them, for the Financial Year ended 31 March 2015.

For M M Forgings Limited

Place : Kodaikanal
Date : 18 May 2015

Vidyashankar Krishnan
Vice Chairman and Managing Director

ANNEXURE IV TO DIRECTORS' REPORT
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31 March 2015

[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: ' Guindy House' 95, Anna Salai, Guindy, Chennai - 600032
- 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	97%

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	NIL				

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

Category of the director	No. of Shares held at the beginning of the year – 31.03.2014				No. of Shares held at the end of the year – 31.03.2015				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	920218	0	920218	7.62	789525	0	789525	6.54	-3.07
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	3366600	0	3366600	27.89	3366600	0	3366600	27.89	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	2652600	-	2652600	21.97	2652600	-	2652600	21.98	0.00
Sub-total	6939418	0	6939418	57.48	6808725	0	6808725	56.41	-3.07
(A) (1):									


j) Category-wise Share Holding

Category of the director	No. of Shares held at the beginning of the year – 31.03.2014				No. of Shares held at the end of the year – 31.03.2015				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total	0	0	0	0.00	0	0	0	0.00	0.00
(A) (2):-									
B. Pubic Shareholdings									
1. Institutions									
a) Mutual Funds	996708	2400	999108	8.28	915580	2400	917980	7.61	-0.67
b) Banks / FI	-	-	-	-	3643	0	3643	0.03	0.03
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Cos.	-	-	-	-	-	-	-	-	-
g) FIs	0	100	100	0.00	344470	100	344570	2.85	2.85
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total	996708	2500	999208	8.28	1263693	2500	1266193	10.49	2.21
(B) (1):-									
2. Non- Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	564314	3000	567314	4.70	435895	3000	438895	3.64	--1.06
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1422931	197377	1620308	13.43	1526115	183576	1709691	14.16	1.68
ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh	1540197	160800	1700997	14.10	1525975	123000	1648975	13.66	0.61


i) Category-wise Share Holding

Category of the director	No. of Shares held at the beginning of the year – 31.03.2014				No. of Shares held at the end of the year – 31.03.2015				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
-Clearing Members	64439	0	64439	0.53	6854	0	6854	0.06	-0.48
-Hindu Undivided Families	102449	0	102449	0.85	90693	0	90693	0.75	-0.10
-Non Resident Indians	47245	13200	60445	0.50	72152	12500	84652	0.70	0.20
-Trusts	15822	0	15822	0.13	15722	0	15722	0.13	0.00
Sub-total	3757397	374377	4131774	34.24	3673406	322076	3995482	33.10	0.86
(B)(2): - Total Public Shareholding	4754105	376877	5130982	42.52	4937099	324576	5261675	43.59	3.07
(B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	11693523	376877	12070400	100.00	11745824	324576	12070400	100.00	0.00

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 31.03.2014			Shareholding at the end of the year 31.03.2015			% 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	AJAY SHANKAR RAMACHANDRAN	27000	0.22	-	27000	0.22	-	0.00
2	LAKSHMI RAMA CHANDRAN	328990	2.73	-	283990	2.35	-	-0.37
3	R SUBRAMONIAN JT.SUMITAVIDYA SHANKAR	77600	0.64	-	77600	0.64	-	0.00
4	S LAKSHMAN	466472	3.86	-	380779	3.15	-	-0.71



Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 31.03.2014			Shareholding at the end of the year 31.03.2015			% 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	
5	SUMITA VIDYASHANKAR JT.VIDYASHANKAR KRISHNAN	16400	0.14	-	16400	0.14	-	0.00
6	VIJAY SUNDAR RAMACAHNDRAN	3756	0.03	-	3756	0.03	-	0.00
7	K VENKATRAMANAN	1292480	10.71	-	1292480	10.71	-	0.00
8	VIDYASHANKAR KRISHNAN JT.SUMITA VIDYASHANKAR	1360120	11.27	-	1360120	11.27	-	0.00
9	SYNMAX CONSULTANTS & TRADING PVT. LTD	2898000	24.01	-	2898000	24.01	-	0.00
10	SIVASUNDAR PRIVATE LTD	468600	3.88	-	468600	3.88	-	0.00
	TOTAL	6939418	57.49	0	6808725	56.40	0	-1.08

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

Sl. No.		Shareholding at the beginning of the year - 31.03.2014		Cumulative Shareholding during the year-31.03.2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	LAKSHMI RAMACHANDRAN At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	328990	2.73	328990	2.73
	19/09/14	5000	0.04	323990	2.68
	10/10/14	15000	0.12	308990	2.56
	17/10/14	5000	0.04	303990	2.52
	14/11/14	20000	0.17	283990	2.35
	At the end of the Year	283990	2.35	283990	2.35
2	S LAKSHMAN At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	466472	3.86	466472	3.86
	20/06//14	2736	0.02	463736	3.84
	30/06/14	17264	0.14	446472	3.70
	14/11/14	65693	0.54	380779	3.15
	At the end of the Year	380779	3.15	380779	3.15


(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 31.03.2014		Cumulative Shareholding during the year 31.03.2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ICICI PRUDENTIAL TAX PLAN				
	At the beginning of the year	572653	4.74	572653	4.74
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
	04/04/14	572653	4.74	0	0.00
	At the end of the Year (or on the date of separation, if separated during the year	0	0.00	0	
	ICICI PRUDENTIAL DISCOVERY FUND				
	At the beginning of the year	330230	2.74	330230	2.74
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
	04/04/14	330230	2.74	0	0.00
	At the end of the Year (or on the date of separation, if separated during the year	0	0	0	0.00
	ICICI PRUDENTIAL VALUE FUND SERIES 3				
	At the beginning of the year	0	0.00	0	0.00
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)					
04/04/14	902883	7.48	902883	7.48	
At the end of the Year (or on the date of separation, if separated during the year	0	0	0	0.00	



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 31.03.2014		Cumulative Shareholding during the year 31.03.2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	ANIL KUMAR GOEL				
	At the beginning of the year	490000	4.06	490000	4.06
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
	11/04/14	490000	4.06	0	0.00
	At the end of the Year (or on the date of separation, if separated during the year)	0	0	0	0.00
3	SEEMA GOEL				
	At the beginning of the year	180000	1.49	180000	1.49
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
	11/04/14	902883	7.48	902883	7.48
	At the end of the Year (or on the date of separation, if separated during the year)	0	0	0	0.00
4	OJAS CONSULTING PVT LTD				
	At the beginning of the year	101774	0.84	101774	0.84
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
	02/05/14	10000	0.08	91774	0.76
	23/05/14	10000	0.08	81774	0.68
	30/05/14	10000	0.08	71774	0.59
	06/06/14	2239	0.02	69535	0.58
	04/07/14	10000	0.08	59535	0.49
	25/07/14	435	0.00	59100	0.49
	25/08/14	4000	0.03	55100	0.46
	05/12/14	3000	0.02	52100	0.43



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 31.03.2014		Cumulative Shareholding during the year 31.03.2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	At the end of the Year (or on the date of separation, if separated during the year	52100	0.43	52100	0.43
	UTI-MIS-ADVANTAGE PLAN				
	At the beginning of the year	93825	0.78	93825	0.78
6	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
	04/04/14	93825	0.78	0	0.00
	At the end of the Year (or on the date of separation, if separated during the year	0	0	0	0.00
	NICHE FINANCIAL SERVICES PVT LTD				
	At the beginning of the year	90000	0.75	90000	0.75
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
	25/04/14	25000	0.21	65000	0.54
	01/08/14	20000	0.17	45000	0.37
	08/08/14	15000	0.12	30000	0.25
	30/09/14	10000	0.08	20000	0.17
03/10/14	7500	0.06	12500	0.10	
09/10/14	12500	0.10	0	0.00	
7	At the end of the Year (or on the date of separation, if separated during the year	0	0	0	0.00
	SUNDARAM NARAYANAN JT:JALAJA NARAYANA SUNDARAM				
	At the beginning of the year	75600	0.63	75600	0.63



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 31.03.2014		Cumulative Shareholding during the year 31.03.2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
	14/11/14	37800	0.31	37800	0.31
	At the end of the Year (or on the date of separation, if separated during the year	37800	0.31	37800	0.31
	MAHAVIR MEHTA				
	At the beginning of the year	57096	0.47	57096	0.47
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
	28/05/14	15000	0.12	72096	0.60
	08/08/14	29000	0.24	43096	0.36
	05/09/14	5000	0.04	38096	0.32
	12/09/14	16000	0.13	22096	0.18
9	19/09/14	4000	0.03	18096	0.15
	24/10/14	3096	0.03	15000	0.12
	20/03/15	15000	0.12	0	0.00
	At the end of the Year (or on the date of separation, if separated during the year	0	0	0	0.00
	VLS CAPITAL LIMITED				
	At the beginning of the year	52049	0.43	52049	0.43
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
	20/06/14	52049	0.43	0	0.00
	At the end of the Year (or on the date of separation, if separated during the year	0	0	0	0.00



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 31.03.2014		Cumulative Shareholding during the year 31.03.2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10	JNJ HOLDINGS PVT LTD				
	At the beginning of the year	52000	0.43	52000	0.43
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
	02/05/14	3000	0.02	49000	0.41
	30/06/14	3500	0.03	45500	0.38
	04/07/14	17500	0.14	28000	0.23
	11/07/14	7426	0.06	20574	0.17
	18/07/14	7500	0.06	13074	0.11
	14/08/14	3100	0.03	9974	0.08
	22/08/14	300	0.00	9674	0.08
	29/08/14	700	0.01	8974	0.07
	12/09/14	1900	0.02	7074	0.06
	10/10/14	2900	0.02	4174	0.03
	17/10/14	2569	0.02	1605	0.01
	24/10/14	605	0.01	1000	0.01
	14/11/14	999	0.01	1	0.00
	At the end of the Year (or on the date of separation, if separated during the year	0	0.00	0	0.00

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year 31.03.2014		Cumulative Shareholding during the year 31.03.2015	
		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	1200	0.01	1200	0.01
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
	At the end of the Year	1200	0.01	1200	0.01



Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year 31.03.2014		Cumulative Shareholding during the year 31.03.2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	JSUMATHI (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 (e.g. allotment / transfer / bonus / sweat equity etc.)				
	At the end of the Year	200	0.00	200	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	1,51,07,76,531	—	—	1,51,07,76,531
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	17,71,474	—	—	17,71,474
Total (i+ii+iii)	1,51,25,48,005	—	—	1,51,25,48,005
Change in Indebtedness during the financial year				
Addition	62,49,86,824	—	—	62,49,86,824
Reduction	23,19,29,111	—	—	23,19,29,111
Net Change	39,30,57,713	—	—	39,30,57,713
Indebtedness at the end of the financial year				
i) Principal Amount	1,90,31,30,920	—	—	1,90,31,30,920
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	24,74,798	—	—	24,74,798
Total (i+ii+iii)	1,90,56,05,718	—	—	1,90,56,05,718



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			
	a) Salary as per provisions contained in section 17 (1) of the Income tax Act	1,74,22,500	1,65,60,000	3,39,82,500
	b) Value of perquisites u/s 17 (2) of Income tax Act	34,21,485	34,24,600	68,46,085
	c) Profits in lieu of salary under section 17 (3) of Income tax Act	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission- As % of profit- As others, specify	1,58,80,000	1,58,80,000	3,17,60,000
5	Others, specify Medical	1,64,990	—	1,64,990
	TOTAL (A)	3,68,88,975	3,58,64,600	7,27,53,575
	Ceiling as per the Act	3,69,05,872	3,69,05,872	7,38,11,744

B. Remuneration to other directors:

Sl.No.	Particulars of remuneration	Name of directors			Total amount
		N. Srinivasan	V.Vaidyanathan	A.Gopalakrishnan	
1	Independent Directors				
	● Fee for attending board/ committee meetings	53,500	69,500	69,500	1,92,500
	● Commission	7,50,000	4,00,000	3,00,000	14,50,000
	● Others, please specify				
	Total (1)	8,03,500	4,69,500	3,69,500	16,42,500
2	Other Non Executive Directors	NA	NA	NA	NA
	● Fee for attending board/ committee meetings				
	● Commission				
	● Others, please specify				
	Total (2)	-	-	-	-
	Total (b) = (1 +2)	8,03,500	4,69,500	3,69,500	16,42,500
	Total Managerial Remuneration	8,03,500	4,69,500	3,69,500	16,42,500
	Overall Ceiling as per the Act	24,26,112	24,26,112	24,26,112	72,78,337

**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. Venkatakrisnan, Chief Financial Officer	
1	Gross Salary			
	a) Salary as per provisions contained in section 17 (1) of the Income tax Act	8,66,400	12,20,148	20,86,548
	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	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission			
	-As % of profit	—	—	—
	-As others, specify			
5	Others, specify	-		
	TOTAL (A)	8,66,400	12,20,148	20,86,548

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 (1) 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:

For and On behalf of the Board

Place : Kodaikanal
Date : 18 May 2015

N. SRINIVASAN
Chairman



**FORM NO. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2015

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

To,
The Members,
MM FORGINGS LIMITED,
Chennai

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **MM FORGINGS LIMITED**, (hereinafter called the company). Secretarial Audit was conducted based on records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion/understanding thereon.
2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we, on strength of those records, and information so provided, hereby report that in our opinion and understandings, the company, during the audit period covering the financial year ended on March 31, 2015, appears to have complied with the statutory provisions listed hereunder and also in our limited review, 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.

We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company and made available to us, for the financial year ended on March 31, 2015 according to the applicable provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 and the rules made thereunder as applicable;
- 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;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 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 (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) 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;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and



h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India- Not Applicable
- ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

During the period under review, the Company has generally complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above pending filing of few e-forms.

We further report that the related documents that we have come across depict that:

The Board of Directors of the Company is constituted as applicable with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that based on our limited review there appear adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has sought the approval of its members for:

- Borrowing money, where the money to be borrowed together with the money already borrowed may exceed the paid up capital and free reserves of the company but shall not exceed Rs. 500 Crores under Section 180(1)(c) of the Companies Act, 2013;
- Creating / modifying any mortgage, hypothecation or other charge or encumbrance over the whole or substantially the whole of the Company's undertaking and properties and assets of the Company which borrowings and facilities together with the existing ones shall not exceed an aggregate limit of Rs. 500 crores under Section 180(1)(a) of the Companies Act, 2013.
- Appointment of Shri. N. Srinivasan, Shri V. Vaidyanathan and Shri A. Gopalakrishnan as Independent Directors for a period of five years commencing from 01st April, 2014.
- Appointment of Shri S. Hariharan, Cost Accountants, Tiruchirapali, as Cost Auditor to audit the cost records maintained by the Company for the Financial Year 2014-15.

From the records, it appears the company has received order from the Honourable High Court of judicature at Madras sanctioning the amalgamation of M/s. Sri Vatsa Electric and Electronic Ltd with M/s. MM Forgings Limited during the financial year.

We further report that our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance by the Company and we are not responsible for any lapses in those compliances on the part of the Company.

For S Dhanapal & Associates

S. Dhanapal
(Sr. Partner)
FCS 6881
CP No. 7028

Place : Chennai
Date : 18.05.2015
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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.

Annexure A

To

The Members

MM Forgings Limited

Chennai

Our report of even date is to be read along with this supplementary testimony.

- a. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b. We have followed the audit practices and processes that were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- c. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- d. Where ever required, we have obtained Management representation about the compliance of laws, rules and regulations and happenings of events etc.
- e. The Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- f. The Secretarial Audit is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management conducted the affairs of the Company.



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of M M Forgings Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss 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 Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Profit and Loss Statement, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. 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;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2015, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For G.Ramesh Kumar&Co
Chartered Accountants

FRN: 003010S

Partner

Membership No. 200/18663

Place : Tiruchirapalli

Date : 18 May 2015

ANNEXURE TO OUR REPORT

(Referred to in Paragraph 1 of our Report of Even date)

As required by the Companies' (Auditor's Report) Order, 2003 and according to the information and explanations given to us during the course of the audit and on the basis of such checks as were considered appropriate, we report that:

1. 1.1 The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- 1.2 As explained to us, the assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion, is reasonable, considering the size and the verification is reasonable and no material discrepancies have been noticed on such physical verification.
2. 2.1 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;
- 2.2 The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business;
- 2.3. The Company has maintained proper records of inventories and discrepancies noticed on physical verification of inventories as compared to book records were not material.
3. 3.1 The Company has neither granted nor taken any loans to and from companies, firms or other parties covered in the Register, maintained under Section 301 of the Companies Act, 1956.
- 3.2 The rate of interest and other terms and conditions in respect of unsecured loans given by the Company to its employees and others, are in our opinion, prima facie not prejudicial to the interest of the Company;
- 3.3 In respect of such loans given by the Company, where stipulations have been made, they have generally repaid the principal amounts as stipulated and have been regular in payment of interest, where applicable;
- 3.4 In respect of such loans given by the Company, there are no overdue amounts more than ₹ 1,00,000.
- 4 There are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and for the sale of goods.
5. 5.1 The transactions made in pursuance of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been recorded in the register;
- 5.2 There are no transactions of purchase and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act 1956 aggregating during the year to ₹ 5,00,000 or more in respect of each party.
6. The Company has not accepted any deposits from the public.
7. No order under Section 209(1)(d) of the Companies Act, 1956 has been passed by the Central Government for maintenance of cost records.
8. 8.1 According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues with appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2014 for a period more than six months from the date they became payable.



- 8.2 There are no disputed Sales-tax, Customs Duty and Excise Duty, except what is stated in the notes forming part of the accounts.
9. The Company has no losses either in the current financial year or in the immediately preceding financial year.
 10. The Company has not defaulted in repayment of its dues to banks.
 11. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
 12. The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund / are not applicable to the Company.
 13. The company is not dealing or trading in shares, securities, debentures or other investments and hence, the requirements of para 4 (xiv) are not applicable to the Company.
 14. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
 15. The Company has utilised the term loan availed during the year, for the purpose for which the same are sanctioned.
 16. On the basis of our examination of the Cash Flow Statement, the funds raised on short-term basis have not been used on long term investments, as they have been financed out of internal accruals.
 17. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
 18. No debentures have been issued by the company.
 19. The Company has not raised any money by way of Public issues during the year.
 20. On the basis of our examinations and according the information and explanations given to us, no fraud, on or by the Company, has been noticed or reported during the year.

For M/S G. RAMESHKUMAR & Co
Chartered Accountants
FRN 003010S

Place : Tiruchirapalli
Date : 18 May 2015

G.Ramesh Kumar
Membership No. 200 / 18663

**Balance Sheet as at 31st March, 2015**

(₹ in lakhs)

	Note No.	As at March 2015	As at March 2014
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
1.1 Share capital	3	1,207.04	1,207.04
1.2 Reserves and surplus	4	22,585.03	18,371.93
		<u>23,792.07</u>	<u>19,578.97</u>
2 Non-current liabilities			
2.1 Long-term borrowings	5	8,294.77	3,477.77
2.2 Deferred tax liabilities (net)		1,228.86	1,144.16
2.3 Other long-term liabilities	6	64.32	64.32
		<u>9,587.95</u>	<u>4,686.25</u>
3 Current liabilities			
3.1 Short-term borrowings	7	9,178.08	10,251.78
3.2 Trade payables	8	2,750.31	1,555.19
3.3 Other current liabilities	9	1,590.56	1,406.00
3.4 Short-term provisions	10	420.86	280.57
		<u>13,939.81</u>	<u>13,493.54</u>
TOTAL		<u>47,319.83</u>	<u>37,758.76</u>
B ASSETS			
1 Non-current Assets			
1.1 Fixed Assets			
1.1.1 Tangible Assets	11	22,544.16	19,967.55
1.1.2 Capital work-in-progress		1,106.63	665.54
		<u>23,650.79</u>	<u>20,633.09</u>
1.2 Non-current investments	12	14.02	14.02
1.3 Long-term loans and advances	13	1,481.82	1,598.16
1.4 Other non-current assets	14	378.20	440.36
		<u>1,874.04</u>	<u>2,052.54</u>
2 Current Assets			
2.1 Inventories	15	7,865.88	7,627.84
2.2 Trade receivables	16	2,912.53	2,894.98
2.3 Cash and cash equivalents	17	8,903.24	2,529.83
2.4 Short-term loans and advances	18	2,104.21	2,015.96
2.5 Other current assets	19	9.14	4.52
		<u>21,795.00</u>	<u>15,073.13</u>
		<u>47,319.83</u>	<u>37,758.77</u>

See accompanying notes forming part of the financial statements

In terms of our Report of even date

For G. Ramesh Kumar & Co.
Chartered Accountants
FRN 003010S

N. Srinivasan
Chairman

Vidyashankar Krishnan
Vice Chairman and
Managing Director

G.Ramesh Kumar
Partner
Membership no. 200 / 18663

V.Vaidyanathan
Director

A. Gopalakrishnan
Director

Place : Kodaikanal
Date : 18-05-2014

J.Sumathi
Company Secretary

R.Venkatakrishnan
Chief Financial Officer

Profit and Loss account for the year ended 31st March, 2015

(₹ in lakhs)

	Note No.	For the year ended 31 March 2015	For the year ended 31 March 2014
A CONTINUING OPERATIONS			
1 Revenue from operations Net of Excise Duty	20	50,253.40	41,143.47
2 Other income	21	239.86	154.76
3 Total revenue (1+2)		<u>50,493.26</u>	<u>41,298.23</u>
4 Expenses			
4.1 Cost of materials consumed	22	21,184.29	17,670.04
4.2 Changes in inventories of Finished Goods / Work-In-Process	23	-483.20	-21.59
4.3 Employee benefits expense	24	4,822.65	3,862.59
4.4 Finance costs	25	914.09	765.93
4.5 Depreciation and amortisation Expenses	11.3	3,537.58	3,602.44
4.6 Other expenses	26	13,652.83	11,738.33
Total expenses		<u>43,628.24</u>	<u>37,617.74</u>
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		6,865.02	3,680.49
6 Exceptional items			
Profit on Sale of Business Asset		-	-
Profit on Sale of Other Assets		1.42	-
7 Profit / (Loss) before extraordinary items and tax (5 + 6)		<u>6,866.44</u>	<u>3,680.49</u>
8 Extraordinary items		-	161.12
9 Profit / (Loss) before tax (7 + 8)		<u>6,866.44</u>	<u>3,841.61</u>
10 Tax expense:			
10.1 Current tax expense for current year		1,690.00	916.30
10.2 Tax expense relating to prior years		36.92	9.87
10.3 Net current tax expense		1,726.92	926.17
10.4 Mat Credit entitlement		-	-90.48
10.5 Deferred tax Liability /(Asset)		84.70	74.00
		<u>1,811.62</u>	<u>909.69</u>
11 Profit / (Loss) from continuing operations (9 + 10)		5,054.82	2,931.92
B DISCONTINUING OPERATIONS			
12 Profit / (Loss) from discontinuing operations		-	-
C TOTAL OPERATIONS		<u>5,054.82</u>	<u>2,931.92</u>
13 Profit / (Loss) for the year (11 + 12)		<u>5,054.82</u>	<u>2,931.92</u>
14 Earnings per share (of Rs. 10 /- each):			
14.1 Basic			
14.1.1 Continuing operations		41.88	24.29
14.1.2 Total operations		41.88	24.29
14.2 Diluted			
14.2.1 Continuing operations		41.88	24.29
14.2.2 Total operations		41.88	24.29

See accompanying notes forming part of the financial statements

In terms of our Report of even date

For G. Ramesh Kumar & Co.
 Chartered Accountants
 FRN 003010S

N. Srinivasan
 Chairman

Vidyashankar Krishnan
 Vice Chairman and
 Managing Director

G.Ramesh Kumar
 Partner
 Membership no. 200 / 18663

V.Vaidyanathan
 Director

A. Gopalakrishnan
 Director

 Place : Kodaikanal
 Date : 18-05-2015

J.Sumathi
 Company Secretary

R.Venkatakrishnan
 Chief Financial Officer



Notes forming part of the financial statements

1 Corporate information

The Company is engaged in the manufacture of Steel Forgings . The plants for manufacture are located at Singampunari-Pasumpon Muthuramalingam District, Viralimalai-Pudukkottai District and Karainathangal Village-Kanchipuram District, all within the state of Tamil Nadu. The company has its Wind Farm at Panakudi Village-Tirunelveli District and at Meenakshipuram, Theni District.

2 Significant accounting policies followed by the company:-

2.1 Basis of accounting and preparation of financial statements

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

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 (on FIFO / weighted average basis) 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 XIV to the Companies Act, 1956 and accelerated depreciation is provided, wherever necessary.

2.7 Revenue recognition

Sale of goods

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

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.



Note 2 Significant accounting policies (contd.)

2.10 Foreign currency transactions and translations

Initial recognition

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

Measurement of foreign currency monetary items at the Balance Sheet date

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

Treatment of exchange differences

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

Accounting of forward contracts

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

2.11 Investments

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

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.

2.14 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.

2.15 Segment reporting

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

2.16 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

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

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.

2.17 Taxes on income

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

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

2.18 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.

2.22 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

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

	Particulars	As at 31 March 2015		As at 31 March 2014	
		Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
3.1	Authorised				
	Equity shares of ₹ 10 each with voting rights	15,000,000	1,500.00	15,000,000	1,500.00
3.2	Issued				
	Equity shares of ₹ 10 each with voting rights	12,072,800	1,207.28	12,072,800	1,207.28
3.3	Subscribed and fully paid up				
	Equity shares of ₹ 10 each with voting rights	12,070,400	1,207.04	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 (give details)	Closing Balance
Equity shares with voting rights				
Year ended 31 March, 2015				
- Number of shares	12,070,400	-	-	12,070,400
- Amount ₹ in lakhs 1,207.04	-	-	-	-
Year ended 31 March, 2014				
- Number of shares	12,070,400	-	-	12,070,400
- Amount ₹ in lakhs 1,207.04	-	-	-	-

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

Class of Shares	As at 31 March 2015		As at 31 March 2014	
	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	2,898,000	24.01	2,898,000	24.01
Vidyashankar Krishnan	1,360,120	11.27	1,360,120	11.27
Venkatramanan Krishnan	1,292,480	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 2015	As at 31 March 2014
Equity shares with voting rights	12,070,400	12,070,400
Fully paid up by way of bonus shares	-	-

**Note 4 Reserves and surplus**

₹ in Lakhs

Particulars	₹ in Lakhs	
	As at 31 March 2015	As at 31 March 2014
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	17,598.36	15,198.36
Add: Transferred from surplus in Statement of Profit and Loss	4,500.00	2,400.00
Less: Utilised / transferred during the year for:		
Loss on Subsidiary Merger		
Closing balance	22,098.36	17,598.36
4.4 Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	463.97	493.19
Add: Profit for the year	5,054.82	2,931.92
Less: Interim dividend		
Less: Interim dividend / Dividend Tax	420.86	280.57
Dividends proposed to be distributed to equity shareholders Rs. 30 per share)	362.12	241.41
Tax on dividend	58.74	39.16
Transferred to: General Reserve	4,500.00	2,400.00
Closing balance	177.07	463.97
Total	22,585.03	18,371.93

Note 5 Long-term borrowings

Term Loans From Banks

Secured	8,294.77	3,477.77
Unsecured	-	-
Total	8,294.77	3,477.77

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 2015		As at 31 March 2014	
	Secured	Unsecured	Secured	Unsecured
<u>Term loans from banks:</u>				
Bank Citi Bank	1,879.26		477.49	
DBS - Loan 1	1,948.06		2,196.70	
DBS - Loan 2	1,662.35		2,181.79	
SBI	4,363.58		-	
Total - Term loans from banks	9,853.25	-	4,855.98	-

5.2 Terms of Security / Repayment

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



	₹ in Lakhs		₹ in Lakhs	
	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014
	Secured	Unsecured	Secured	Unsecured
5.3 Rate of Interest				
Citi Bank	2.15%		3.25%	
DBS - Loan 1	4.52%		4.52%	
DBS - Loan 2	5.27%		5.27%	
SBI	3.02%			
5.4 Instalments Payable	Citi Bank	DBS Loan 1	DBS Loan 2	SBI
2015 - 2016	-	519.48	415.60	623.40
2016 - 2017	268.46	519.48	415.60	623.40
2017 - 2018	536.92	519.48	415.60	623.40
2018 - 2019	536.92	389.62	415.55	623.40
2019 - 2020	536.96	-	-	623.40
2020 - 2021	-	-	-	623.40
2021 - 2022				623.18
Total	1,879.26	1,948.06	1,662.35	4,363.58

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.

No default in the servicing / repayment of the loans.

Note 6 Other long-term liabilities

	₹ in Lakhs	
	As at 31 March 2015	As at 31 March 2014
6.1 Trade Payables	9.36	9.36
6.2 Others		
Payables on Purchase of Fixed Assets	35.03	35.03
Advance from Customers	19.93	19.93
Total	64.32	64.32

Note 7 Short-term borrowings

7.1 Loans repayable on demand from Banks		
Secured	9,178.08	10,251.78
Unsecured	-	-
Total	9,178.08	10,251.78

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

	Nature of Security		
Loans repayable on demand from Banks	Hypothecation of Inventory/ Book Debts	9,178.08	10,251.78
Total - from banks	Rate of Interest 6.96%	9,178.08	10,251.78
No Default in the Servicing of the facility availed.			

Note 8 Trade payables

Trade Payables - Other than Acceptances	2,750.31	1,555.19
Total	2,750.31	1,555.19

Note 9 Other current liabilities

9.1 Current maturities of long-term debt - Secured	1,558.48	1,378.21
9.2 Unpaid dividends	32.08	27.79
Total	1,590.56	1,406.00

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

Notes forming part of the financial statements

Note 11 Fixed Assets

11.1 Tangible Assets	Gross block						
	Balance as at 1 April, 2014	Additions	Disposals	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31 March, 2015
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
11.1.1 Land	2748.54	172.56					2921.10
11.1.2 Buildings	4025.80	208.47					4234.27
11.1.3 Plant and Equipment	35444.46	5344.36		285.93	0.00		41074.75
11.1.4 Furniture and Fixtures	125.59	3.12					128.71
11.1.5 Vehicles	416.50	56.73	21.62				451.61
11.1.6 Office equipment	1038.60	43.99					1082.59
Total	43799.49	5829.23	21.62	285.93	0.00	0.00	49893.03
Previous year	39811.59	4785.76	1322.19	459.96	64.37	0.00	43799.49

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, 2014	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Other adjustment	Balance as at 31 March, 2015	Balance as at 31 March, 2015	Balance as at 31 March, 2014
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
11.2.1 Land	0.00				0.00	2921.10	2748.54
11.2.2 Buildings	995.36	132.36			1127.72	3106.55	3030.44
11.2.3 Plant and Equipment	21773.66	3295.51			25069.17	16005.58	13670.80
11.2.4 Furniture and Fixtures	98.59	11.76			110.35	18.36	27.00
11.2.5 Vehicles	183.95	35.27	20.65		198.57	253.04	232.55
11.2.6 Office equipment	780.38	62.68			843.06	239.53	258.22
Total	23831.94	3537.58	20.65	0.00	27348.87	22544.16	19967.55
Previous year	20234.99	3602.44	5.49	0.00	23831.94		



11.3 Depreciation and amortisation relating to continuing operations:

Particulars	For the year ended	For the year ended
	31 March, 2015	31 March, 2014
	₹ in Lakhs	₹ in Lakhs
Depreciation and amortisation for the year on tangible assets as per Note 12 A	3,537.58	3,602.44
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	3,537.58	3,602.44

Note 12 Non-current investments

Particulars	As at 31 March, 2015			As at 31 March, 2014		
	Quoted # ₹ in Lakhs	Unquoted # ₹ in Lakhs	Total ₹ in Lakhs	Quoted ₹ in Lakhs	Unquoted ₹ in Lakhs	Total ₹ in Lakhs
Investments (At cost):						
12.1 <u>Trade</u>	NIL	NIL	NIL	NIL	NIL	NIL
12.2 <u>Other investments</u>						
12.2.1 Investment in equity instruments - Fully Paid	11.02	3.00	14.02	11.02	3.00	14.02
Total - Other investments (12.2)	11.02	3.00	14.02	11.02	3.00	14.02
Less: Provision for diminution in value of investments			-			-
Total			14.02			14.02
Aggregate amount of quoted investments			11.02			11.02
Aggregate market value of listed and quoted investments			24.48			26.24



Note 10 Short Term Provisions

10.1	Provision for tax (net of advance tax) (As At 31 March 2015 ₹ 1,65,000,000) (As at 31 March, 2014 ₹ 72,500,000)	-	-
10.2	Provision for proposed equity dividend	362.12	241.41
10.3	Provision for tax on proposed dividend	58.74	39.16
Total		420.86	280.57

₹ in Lakhs

Particulars

**As at 31
March 2015** **As at 31
March 2014**

Note 13 Long-term loans and advances

13.1	Security deposits		
	Secured, considered good		
	Unsecured, considered good	126.90	147.26
	Doubtful	-	-
		126.90	147.26
	Less: Provision for doubtful deposits	-	-
		126.90	147.26
13.2	Advance Income Tax	78.86	(22.96)
13.3	Mat Credit Available	0.00	97.85
13.4	Balances with government authorities		
	Unsecured, considered good		
13.4.1	Advance Sales tax	116.38	116.38
13.4.2	VAT credit receivable	1,159.68	1,259.63
		1,276.06	1,376.01
Total		1,481.82	1,598.16

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	103.99	217.70
14.1.2	Work-in-progress - Steel Forgings	29.52	63.03
14.1.3	Stores and Spares	-	7.00
14.1.4	Consumable Tools	-	91.62
Total		133.51	379.35
14.2	Other Assets		
14.2.1	Sundry Debtors	17.13	18.97
14.2.2	Advance to Suppliers	204.39	23.38
14.2.3	Insurance claims	23.17	18.66
Total		378.20	440.36

Note 15 Inventories

(At lower of cost and net realisable value)

15.1	Raw materials	1,083.33	1,747.16
15.2	Work-in-progress - Steel Forgings	5,703.47	5,186.76
15.3	Stores and spares	691.07	461.01
15.4	Consumable Tools	388.01	232.91
Total		7,865.88	7,627.84



₹ in Lakhs

Particulars	₹ in Lakhs	
	As at 31 March 2015	As at 31 March 2014
Note 16 Trade receivables		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment #		
Secured, considered good	-	-
Unsecured, considered good	2,912.53	2,894.98
Doubtful		
	2,912.53	2,894.98
Less: Provision for doubtful trade receivables	-	-
Total	2,912.53	2,894.98

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	6.47	3.51
17.2 Cheques, drafts on hand	-	-
17.3 Investments in Liquid funds	8,133.60	2,392.40
17.4 Balances with banks	37.45	39.24
17.3.1 In current accounts	725.72	94.68
17.3.2 In deposit accounts (Refer Note below)	8,903.24	2,529.83
Total		

Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 - Cash Flow Statement is ₹ 8800.30 Lakhs. (As at 31st March 2014 ₹ 2529.81 Lakhs)

Note: Balances with banks include deposits amounting to ₹ 102.94 Lakhs as at 31 March 2015 which have an original maturity of more than 12 months. (As at 31st March 2014- ₹ 0.02 Lakhs)

Note 18 Short-term loans and advances

18.1 Loans and advances to employees		
Secured, considered good		
Unsecured, considered good	188.56	163.11
Doubtful	-	-
	188.56	163.11
Less: Provision for doubtful loans and advances	-	-
	188.56	163.11
18.2 Prepaid expenses - Unsecured, considered good	99.54	66.69
18.3 Balances with government authorities - Unsecured, considered good		
18.3.1 CENVAT credit receivable	1,206.46	1,038.15
18.3.2 VAT credit receivable	500.00	675.00
18.4 Others -ICD		
Secured, considered good		
Unsecured, considered good	109.65	73.01
Doubtful	-	-
	109.65	73.01
Less: Provision for other doubtful loans and advances	-	-
	109.65	73.01
Total	2,104.21	2,015.96

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 2015	As at 31 March 2014
Note 19 Other current assets		
19.1 Others		
19.1.1 Insurance claims	9.14	4.52
Total	9.14	4.52
Note 20 Revenue from operations		
20.1 Sale of products	48,950.32	40,073.91
20.2 Other operating revenues	1,303.08	1,069.56
Total	50,253.40	41,143.47
20.1.1 Sale of products comprises		
<u>Manufactured goods</u>		
Steel Forgings	48,950.32	40,073.91
Total - Sale of products	48,950.32	40,073.91
20.2.1 Other operating revenues		
Power Generated	1,303.08	1,069.56
Total - Other operating revenues	1,303.08	1,069.56
Note 21 Other income		
21.1 Interest income from Bank Deposits	17.83	10.61
21.2 Dividend income: from long-term investments	221.32	143.72
21.3 Miscellaneous Income	0.71	0.43
Total	239.86	154.76
Note 22 Cost of materials consumed		
Opening stock	1,964.86	1,367.67
Add: Purchases	20,406.75	18,267.23
	22,371.61	19,634.90
Less: Closing stock	1,187.32	1,964.86
Cost of material consumed	21,184.29	17,670.04
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	5,732.99	5,249.79
<u>Inventories at the beginning of the year:</u>		
Work-in-progress Forgings	5,249.79	5,228.20
Net (increase) / decrease	-483.20	-21.59
Note 24 Employee benefits expense		
24.1 Salaries and wages	3,313.26	2,787.01
24.2 Managerial Remuneration	742.04	410.72
24.2 Contributions to provident and other funds	260.29	233.51
24.3 Staff Gratuity	21.65	27.32
24.4 Staff welfare expenses	485.41	404.03
Total	4,822.65	3,862.59
Note 25 Finance costs		
Interest expense on: Borrowings	914.09	765.93
Total	914.09	765.93



₹ in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014
Note 26 Other expenses				
26.1 Consumption of Stores			1,194.36	950.00
26.2 Consumption of Tools			975.09	833.16
26.3 Outside Labour			814.25	477.80
26.4 Power and fuel			4,909.04	4,377.84
26.5 Repairs and Maintenance				
26.5.1 Buildings	118.99	56.85		
26.5.2 Machinery	654.99	598.77		
26.5.3 Machinery Spares	<u>919.53</u>	<u>814.17</u>	1,693.51	1,469.79
26.6 Selling Expenses			575.28	436.52
26.6 Export Expenses				
26.7.1 Packing and Forwarding	633.91	554.08		
26.7.2 Freight	809.33	962.03		
26.7.3 Commission	350.14	440.09		
26.7.4 Warehousing Charges	454.71	240.43		
26.7.5 Others	<u>152.52</u>	<u>127.48</u>	2,400.61	2,324.11
26.8 Loss on fixed assets sold / scrapped / written off			0.40	7.56
26.9 Miscellaneous expenses			1,090.29	861.55
Total			<u>13,652.83</u>	<u>11,738.33</u>
Miscellaneous expenses includes payment to auditors comprising of :				
As auditors - statutory audit			9.77	13.81
For taxation matters			1.00	1.00
Reimbursement of Expenses / Service Tax			3.70	3.48
Total			<u>14.47</u>	<u>18.29</u>
Note 27 Additional information to the financial statements				
27.1 Contingent liabilities and commitments (to the extent not provided for)				
27.1.1 Contrinenet Liabilities - Foreign Bills Discounted with Bank			1,560.48	1,990.26
Note 28 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006			NIL	NIL



Note 29 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

29.1 Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties: **NIL**

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

Other Directorship		Other Committee Memberships		
Name of the Company	Position	Name of the Company	Committee	Position
Shri N. Srinivasan Andhra Pradesh Gas Power Corp. Ltd Anna Investments Private Ltd Coromandel Electric Co. Ltd Coromandel Sugars Ltd Coromandel Ship Management P Ltd E.W.Stevens & Co. Private Ltd EWS Finance & Invst Ltd ICL Financial Services Ltd ICL International Ltd ICL Securities Ltd India Cements Capital Ltd Prince Holdings (Madras) P Ltd Rupa Holdings P Ltd Thambi Investments Private Ltd Trishul Concrete Products Limited The India Cements Limited	Director Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Vice Chairman and Managing Director	The India Cements Ltd. Coromandel Electric Co Ltd Coromandel Sugars Ltd Trinetra Cement Ltd	Stakeholders Relationship Committee Audit Audit Shareholders/ Investor Grievance	Member Member Chairman Member
Shri V. Vaidyanathan Chesem (P) Limited Medical Research Foundation- Sankara Nethralaya Vision Research Foundation	Director Board Member Board Member			
Shri A.Gopalakrishnan Directorship in Other Companies	NIL			
Shri Vidyashankar Krishnan Association of Indian Forging Industry Synmax Consultants and Trading Private Limited Baylife Medicare Private Ltd Unique Technologies	Managing Committee Director Director Partner			
Shri Venkatramanan Krishnan Synmax Consultants and Trading Private Limited Sivasundar Private Limited Baylife Medicare Private Ltd Unique Technologies	Director Director Director Partner			



Particulars	As at 31 March 2015	As at 31 March 2014
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 2015	For the year ended 31 March 2014
29.4 Value of imports calculated on CIF basis		
Raw materials	33.20	1.00
Consumable Stores / Tools	62.77	65.63
Machinery Spares	17.47	4.16
Capital goods	1,537.09	1,304.18
29.5 Expenditure in foreign currency		
Travelling	145.21	118.62
Export Expenses	972.59	416.92
Staff Training	1.87	0.72
29.6 Details of consumption of imported and indigenous items		
	31st Mar 2015	31st Mar 2014
<u>Imported</u>	₹ in Lakhs	% ₹ in Lakhs %
Raw materials	33.20	0.16%
Consumable Stores / Tools	62.77	2.89%
Machinery Spares	17.47	1.90%
	<u>113.44</u>	<u>70.79</u>
<u>Indigenous</u>		
Raw materials	21,151.09	99.84%
Consumable Stores / Tools	2,106.68	97.11%
Machinery Spares	902.06	98.10%
	<u>24,159.83</u>	<u>20,196.58</u>
29.7 Earnings in foreign exchange		
Export of goods calculated on CIF basis	33,341.32	28,404.02

Note 30 Disclosures under Accounting Standards (contd.)

Particulars	As at 31 March 2015	As at 31 March 2014
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	-	64.37
- 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 deleted the demand by the department. 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	1,228.86	1,144.16
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Cash Flow Statement for the year ended 31st March 2015 (₹ in lakhs)

	For the year ended 31 March 2015	For the year ended 31 March 2014
A Cash Flow From Operating Activities		
Net Profit / (Loss) before extraordinary items and tax	6,866.44	3,841.61
<i>Adjustments for:</i>		
Depreciation and amortisation	3,537.58	3,602.44
(Profit) / Loss on sale / write off of assets	(1.02)	(153.56)
Finance costs	914.09	765.93
Interest income	(17.83)	(10.61)
Dividend income	(221.32)	(143.72)
	4,211.50	4,060.48
Operating Profit / (Loss) before working capital changes	11,077.94	7,902.09
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(238.04)	(503.93)
Trade receivables	(17.55)	513.10
Short-term loans and advances	(88.25)	(478.77)
Long-term loans and advances	116.34	(49.44)
Other current assets	(4.62)	10.15
Other non-current assets	62.16	(97.55)
<i>Adjustments for increase/(decrease) in operating liabilities</i>		
Trade payables	1,195.12	(1,434.52)
Other current liabilities	184.56	(1,502.28)
Other long-term liabilities	0.00	9.09
	1,209.72	(3,534.15)
Cash generated from operations	12,287.66	4,367.94
Net income tax (paid) / refunds	1,726.92	835.67
Net cash flow from / (used in) operating activities (A)	10,560.74	3,532.27
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(6,556.26)	(5,599.80)
Proceeds from sale of fixed assets	1.99	1,470.26
Long Term Investments	0.00	0.00
Interest received	17.83	10.61
Dividend received	221.32	143.72
Net cash flow from / (used in) investing activities (B)	(6,315.12)	(3,975.21)
C. Cash flow from financing activities		
Proceeds from long-term borrowings(Net)	4,817.00	(759.84)
Repayment of long-term borrowings(Net)		
Net increase / (decrease) in working capital borrowings	(1,073.70)	2,817.35
Repayment of other short-term borrowings		
Finance cost	(914.09)	(765.93)
Interim Dividend / Tax on Dividend	(420.86)	(280.57)
Dividends paid	(241.41)	(362.11)
Tax on dividend	(39.16)	(58.74)
Net cash flow from / (used in) financing activities (C)	2,127.78	590.16
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	6,373.40	147.22
Cash and cash equivalents at the beginning of the year	2,529.84	2,382.62
Cash and cash equivalents at the end of the year	8,903.24	2,529.84
	6,373.40	147.22

In terms of our Report of even date

For G. Ramesh Kumar & Co.
Chartered Accountants
FRN 003010S

G.Ramesh Kumar
Partner
Membership no. 200 / 18663

Place : Kodaikanal
Date : 18-05-2015
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N. Srinivasan
Chairman

V.Vaidyanathan
Director

J.Sumathi
Company Secretary

Vidyashankar Krishnan
Vice Chairman and
Managing Director

A. Gopalakrishnan
Director

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: 'GUINDY HOUSE', 95, Anna Salai, 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 on the 26 August 2015 at 11.45 A.M at Narada Gana Sabha (Mini Hall) , 314, TTK Road, Chennai – 600018 and at any adjournment thereof in respect of all the resolutions as are indicated below:

SL. No.	RESOLUTIONS	For	Against
	Ordinary Business		
1	Ordinary Resolution : For adoption of Audited Financial Statements for the year 31 March 2015		
2	Ordinary Resolution: For the vacancy caused by retirement by rotation of Shri K Venkatraman		
3	Ordinary Resolution: For Reappointment of Statutory Auditors M/S Ramesh Kumar & Co. and fixing his remuneration		
	Special Business		
4	Ordinary Resolution: For appointment of Smt Kavitha Vijay as Independent Director of the Company under the provisions of Section 149 of the Companies Act, 2013		

SL. No.	RESOLUTIONS		
	Special Business	For	Against
5	Ordinary Resolution: Ratifying the appointment of Cost Auditor, Shri. S. Hariharan		

Signed this

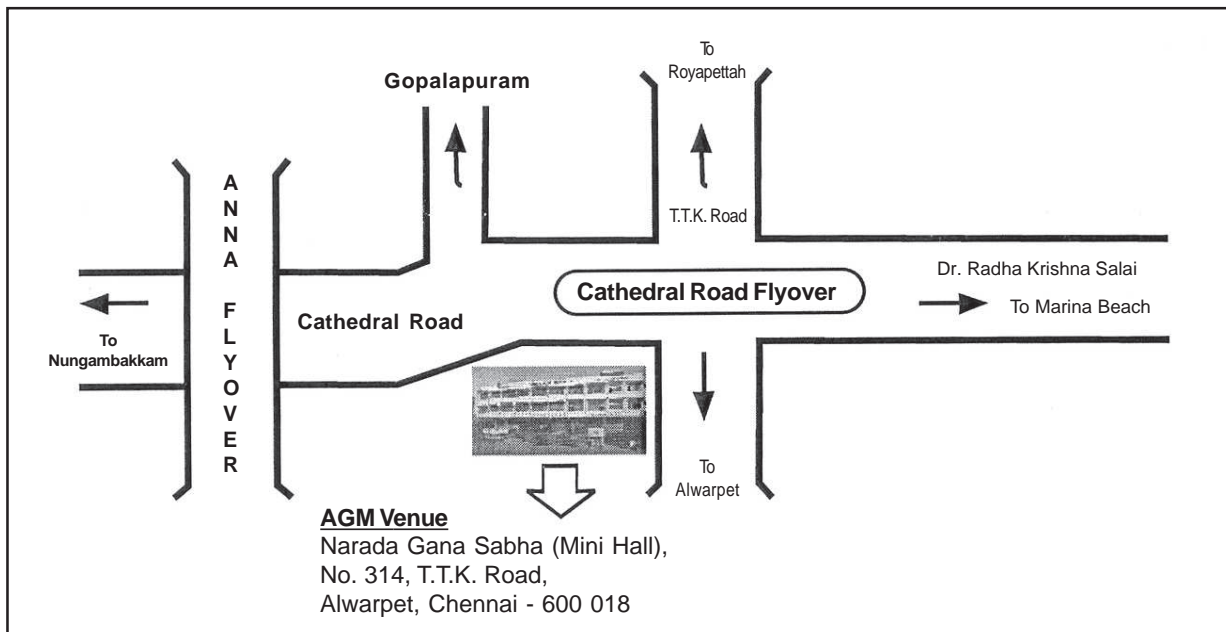
Signature of shareholder

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.

Route map to AGM venue



**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 _____ No. of Shares _____

Member's of the Proxy _____

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

I, hereby record my presence at the 69th Annual General Meeting of M M Forgings Limited at 'Narada Gana Sabha' (Mini Hall), 314, T.T.K.Road, Chennai - 600018, at at 11.45 a.m. on Wednesday, 26th day of August, 2015.

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*
150716006	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
Sunday 23 August 2015 at 10.00 a.m.	Tuesday 25 August 2015 at 5.00 p.m.