



MM FORGINGS LIMITED

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

Dated: 08 September 2016

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

Subject: Annual Report of this Company for the year-ended 31st March, 2016

We forward herewith the soft copy of the Annual Report of this Company for the year ended 31st March, 2016 together with Notice to Shareholders for the Annual General Meeting held on 06 September 2016.

Kindly take it on record

Thanking you,

Yours faithfully,

For M M FORGINGS LIMITED


J.SUMATHI
COMPANY SECRETARY

Encl: As above.



M M FORGINGS LIMITED

Regd. Office: 95, Anna Salai, Chennai - 600 032.

70th Annual Report

and

Accounts for the year ended 31.03.2016

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Board of Directors

Chairman

Shri. N. Srinivasan

Vice Chairman and Managing Director

Shri. Vidyashankar Krishnan

Company Secretary

Smt. J. Sumathi

Chief Financial Officer

Shri. R.Venkatakrishnan

Registered Office

95, Anna Salai, Guindy, Chennai – 600 032

Phone : 044 -22352153

Fax No. 044- 22352160

E-mail : mmforge@mmforgings.com

Factories

Singampunari – 630 502, Tamil Nadu

Viralimalai – 621 316, Tamil Nadu

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

Guindy, Chennai

Karanaithangal 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

Solar site

Bommakkotai/ Kalayar Karisalkulam

Village, Aruppukottai - 626105

Virudhunagar District

Bankers

State Bank of Travancore

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

Citibank N.A

163, Anna Salai, Chennai - 600002

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

Internal Auditor

Shri. N. Ramnath

Cost Auditor

Shri. S. Hariharan

Sri Sapthagiri Homes

S.S. IInd Floor, Pulimandapam Road,

Srirangam, Trichy - 620006

Secretarial Auditor

Shri. V Shankar

2-1-2 B Block First Floor

Greata Pearl Apartments, 174/206,

Choolaimedu High Road, Chennai - 600 094

Ph : 044 23728925 C P No. 12974

Share Transfer Agents

Cameo Corporate Services Limited

'Subramanian Building', Fifth Floor

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

Phone : 044 - 28460390—94

State Bank of India

FB,155, Anna Salai, Chennai – 600 002

DBS Bank

806, Anna Salai, Chennai - 600002

**PERFORMANCE HISTORY**

(₹ in lakhs)

DESCRIPTION/YEAR	FY7	FY8	FY9	FY10	FY11	FY12	FY13	FY14	FY15	FY16
INCOME										
Sales - Exports	10581.48	11255.01	13267.88	10417.74	18294.07	23905.35	25396.52	29112.09	35059.10	33743.07
- Domestic	7064.97	7839.53	7413.07	5426.22	8295.11	10476.61	9627.13	10961.82	13891.22	15162.74
- Total	17646.45	19094.54	20680.95	15843.96	26589.18	34381.96	35023.65	40073.91	48950.32	48905.81
Other Operating Income	481.66	522.84	673.07	598.47	622.89	641.29	1088.14	1069.56	1303.08	1320.07
Other Income	83.35	73.21	82.93	114.15	985.88	735.93	51.29	315.88	241.28	541.24
TOTAL INCOME	18211.46	19690.59	21436.95	16556.58	28197.95	35759.18	36163.08	41459.35	50494.68	50767.12
Operating Profit	3938.92	4294.48	3891.58	2938.55	6318.08	6566.97	5783.49	8200.09	11281.19	11290.82
Profit After Tax	1408.29	1478.86	1022.52	1041.66	2971.09	2675.46	2444.96	2931.90	5054.82	5008.84
Reserves & Surplus	7014.29	8140.11	8347.28	9177.11	11722.53	13977.08	16001.18	18371.91	22585.00	26752.19
Dividend including tax paid	211.83	353.04	211.83	211.83	422.25	420.85	420.85	561.14	841.71	841.71
Dividend	30%	50%	15%	15%	30%	30%	30%	40%	60%	60%
Share Capital	603.52	603.52	1207.04	1207.04	1207.04	1207.04	1207.04	1207.04	1207.04	1207.04
Earnings per share	23.33	24.50	8.47	8.63	24.61	22.17	20.26	24.29	41.88	41.50
Bonus Share			1 : 1							
Return on Capital Employed	29.0%	24.2%	20.4%	14.0%	20.2%	19.3%	17.8%	22.5%	25.8%	22.6%
Return on Net Worth	16.7%	16.8%	10.7%	9.3%	22.4%	17.7%	13.7%	14.5%	20.5%	17.6%
Dividend as a % to PAT	15.0%	23.9%	20.7%	20.3%	14.2%	15.7%	17.2%	19.1%	16.7%	16.8%
Working Capital	3485.22	4359.80	3343.93	4314.15	7344.89	7299.61	7434.43	10251.78	9178.08	9213.43
W C as a % to sales	14.3%	18.5%	15.6%	26.1%	26.0%	20.4%	20.6%	24.7%	18.2%	18.1%
Current Ratio	1.33	1.47	1.97	1.50	1.47	1.54	1.50	1.41	1.92	2.00
TOL / NW	1.02	1.44	1.27	1.26	1.19	1.17	1.05	0.87	0.93	0.87
Debt / Equity	0.37	0.69	0.82	0.69	0.43	0.53	0.41	0.25	0.41	0.43



Notice To Shareholder

NOTICE IS HEREBY GIVEN THAT THE **SEVENTIETH** ANNUAL GENERAL MEETING OF MM FORGINGS LIMITED will be held The Music Academy, (Mini Hall) Old No. 306 New No. 168, T.T.K. Road, Royapettah, Chennai- 600 014 on Tuesday, 06 September 2016 at 12.00 Noon 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, 2016 including Audited Balance Sheet as at 31st March, 2016 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri Vidyashankar Krishnan, (holding DIN No 00081441) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s.G.Ramesh Kumar & Co., Chartered Accountants, Registration No.200/ 18663 as Statutory Auditors of the Company and fix their remuneration.

SPECIAL BUSINESS:

4. To ratify the appointment of Cost Auditors for the year 2016-17 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, (CP No. 20864) Cost Accountants, Tiruchirapali, as Cost Auditor to audit the cost records maintained by the Company for the Financial Year 2016-17 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.”

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

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

Date : 09 May 2016
Place : Chennai

J.SUMATHI
Company Secretary
Membership No. 8621

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 31 August 2016 to 06 September 2016 (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 ₹ 3,04,311 pertaining to the dividend for the year 2007- 2008, on 30 September 2015, 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 2009 – 2015, as on the date of the 70th Annual General Meeting (AGM) held on 24 August 2016, 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 SEBI (LODR), in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
9. Electronic copy of the Annual Report for 2016 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 2016 is being sent in the permitted mode.
10. Electronic copy of the Notice of the 70th 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 70th 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 request 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. Pursuant to Regulations 36(3) of SEBI (LODR) and Secretarial Standard 2 issued by ICSI, following information is furnished:

Reappointment of Director retiring by rotation. Reappointment of Shri Vidyashankar Krishnan, aged 50 years, retiring by rotation: Shri. Vidyashankar Krishnan is liable to retire by rotation at the 70th AGM, and being eligible has offered himself for reappointment.

Mr. Vidyashankar Krishnan, is a Post Graduate in Engineering from I.I.T., Chennai. He has 28 years of experience. He served in the Board since April 1997. In February 1999 he became the Managing Director. His accomplishments include major expansion at Viralimalai Plant, setting up of new Plant near Chennai, setting up of Wind farm and also Company's foray into machined components. The Company has posted considerable growth under his stewardship. With effect from 24th October 2012, he was appointed as Vice Chairman and was designated as Vice Chairman & Managing Director. He has got vast experience in Manufacturing of Forgings, Finance Accounts, legal etc.

Other Directorships : Synmax Consultants & Trading Pvt Ltd and Baylife Medicare Pvt Ltd

Relationship with other Directors Manager and KMP of the Company:

Shri Vidyashankar Krishnan is brother of Shri K. Venkatramanan Joint Managing Director.

No.of shares held in the Company	: 1360120 shares
No. of Board meetings attended during the year	: 4
Terms and conditions of appointment or reappointment	: Executive Director liable to retire by rotation

14. Voting through electronic means

The instructions for shareholders voting electronically are as under:

- (i) **The voting period begins on 03 September 2016 at 10.00 AM and ends on 05 September 2016 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 30 August 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.



(viii) If you are a first time user follow the steps given below:

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

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e- voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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 Members intending to send their authorized representative to attend the Meeting are requested to send to the Company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.



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

ITEM NO. 4 :

Pursuant to the provisions contained in Rule 14 of the Companies (Audit and Auditors) Rules 2014, the appointment and remuneration paid to Shri S. Hariharan, cost auditor appointed at the Board meeting dated 09 May 2016, 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.4.

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.



Director's Report

1. FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2016

	(₹ in Lakhs)	
	2015-16	2014-15
1.1. Forging Sales	48,905.80	48,950.32
1.2. Profit before exceptional items/extraordinary items and Tax	6,928.91	6,865.02
1.3. Exceptional/Extraordinary Items	0.55	1.42
1.4. Profit Before Tax	6,929.46	6,866.44
1.5. Tax		
For current year	1,725.00	1,690.00
Relating to previous years	52.18	36.92
Deferred Tax	<u>143.45</u>	<u>84.70</u>
	1,920.63	1,811.62
Profit After Tax	5,008.83	5,054.82

The Directors commend the employees for their commitment and contribution.

2. DIVIDEND AND FINANCIAL RESULTS:

	(₹ in Lakhs)	
	2015-16	2014-15
2.1. Profit After Tax	5,008.83	5,054.82
2.2. Balance in P & L Account	177.08	463.97
2.3. Profit available for appropriation	5,185.91	5,518.79
2.4. Transfer to General Reserve	4,100.00	4,500.00
2.5. Interim Dividend paid	841.71	841.71
2.6. Balance carried forward	244.20	177.08

The Directors had declared Two Interim Dividend of 30% - ₹ 3/- per share of face value of ₹ 10/- each on 7 November 2015 and 10 March 2016. With this, the total Dividend for the year ended 31st March 2016, will aggregate to ₹ 6/- per share. The Directors do not recommend any final dividend for the year 2015-16.

3. HIGHLIGHTS OF THE COMPANY'S OPERATIONAL PERFORMANCE

- 3.1. Sales Turnover of the Company crossed ₹ 500 Crores for the second time in the Company's History.
- 3.2. Exports at ₹ 337.43 Crores accounting for 69% of Company's Sales. The Company has crossed the ₹ 325 Crore mark for the second 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 ₹ 120 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 ₹ 278.42 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 including capital work in progress was ₹ 91.48 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 retained the dividend payment to 60%.

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

Raw material - ₹ 199.62 Crores (42%)

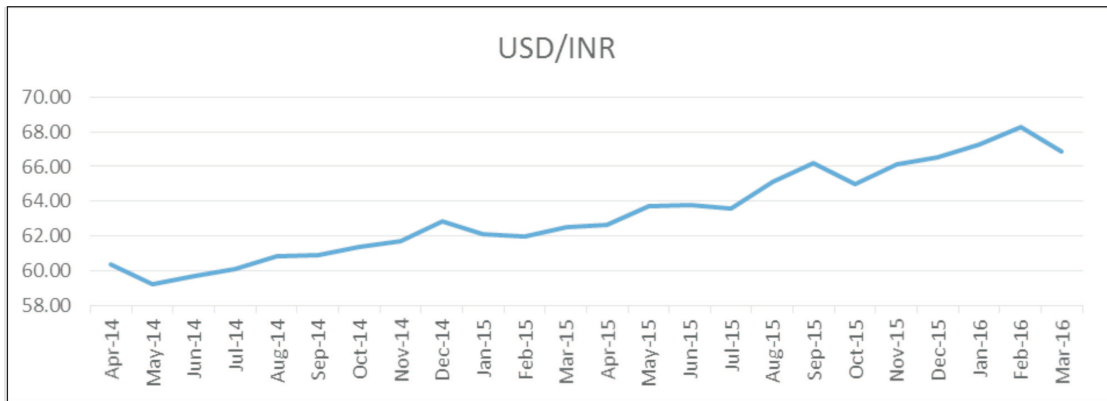
Personnel - ₹ 55.06 Crores (12%)

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

1. Preliminary data suggest that global growth during the second half of 2015, at 2.8 percent, was weaker than previously forecast, with a sizable slowdown during the last quarter of the year. This is despite the availability of "cheap money".
2. Growth in the United States is sluggish at around 1.4 percent in the fourth quarter of 2015. Unemployment rate continued to improve to reaching a low of 4.5% in March 2016.
3. The Dow Jones Industrial Average (DJIA) has increased by approximately 4% 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 recovery was broadly in line with the January forecast in the euro area, as strengthening domestic demand offset a weaker external impulse. Among countries, growth was weaker than expected in Italy but the recovery was stronger in Spain. The Euro (EUR) has appreciated versus the US Dollar (USD) by about 11%
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 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 with just 0.6% growth in recent months.
10. Commodities – The Dow Jones Commodity Index (DJCI) has fallen by 22% in the last one year due to considerable weakness in commodities. This is indicative of weakness prevailing in large economies in both developed and developing countries.
11. Overall, Global output is estimated to have grown by 3.1% in 2015, with 1.9% growth for advanced economies and 4% growth for emerging market and developing economies per various economic think tanks. Global growth is projected to remain modest in 2016, at 3.2%, before picking up to 3.5% in 2017.
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 F16 as compared to about 7.3% in F15.
14. During F16 the automotive industry posted growth rates of approximately 5% in the car segment and 15% in the CV segment.
15. Steel prices have dropped by about 12% compared to the highs of the previous year.
16. The INR ended the year lower by approximately 7%, ending the year at a level of ₹ 66.86 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.



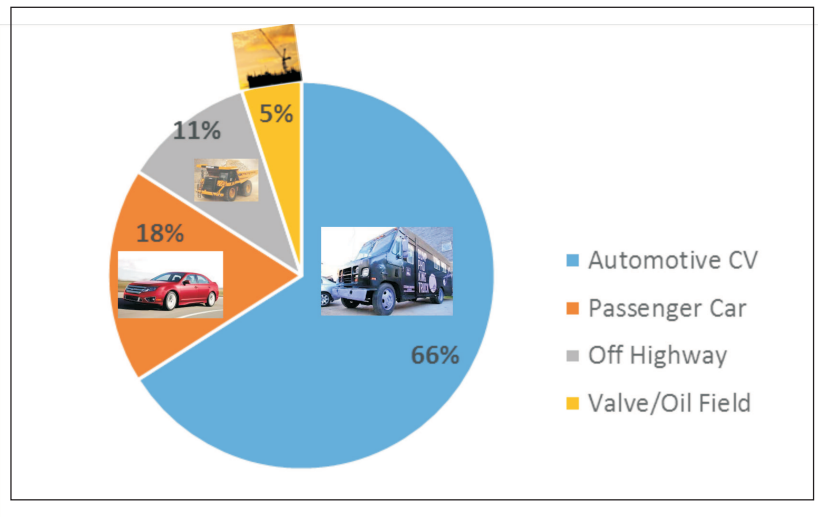
M M FORGINGS – forging ahead

17. The following were important developments witnessed during the year :

- ❖ Domestic sales crossed ₹ 120 crore mark!
- ❖ Record production of 38,713 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 19% in domestic sales by the development of new parts.
- ❖ Export sales fell by 4% on the back of sluggish conditions in global markets. Despite this overall turnover posted marginal increase.
- ❖ 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. As highlighted in the Directors' Report, Return On Net Worth is 17.57% and Return On Capital Employed is 22.63%. Current Ratio is 2.00. The total outside liabilities to net worth stands at 0.87. Debt Equity Ratio is 0.43.

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 1289 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.

Sources :

1. IMF World Economic Output
2. The Economist

6. TRANSFER TO RESERVE

Transfer to General Reserve - ₹ 4,100 Lakhs.

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

Not applicable

8. DIRECTORS

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

9. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL APPOINTED / RESIGNED DURING THE YEAR - Smt Kavitha Vijay, a Woman Director was appointed on 1 April 2016.

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 Company 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. Regulation 17 of SEBI (Listing Obligations and Disclosures Requirements, Regulations 2015 [(SEBI (LODR))]
- 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	3.77 : 1
Shri V. Vaidyanathan	2.01 : 1
Shri A. Gopalakrishnan	1.51 : 1
Smt Kavitha Vijay	1.51 : 1
Shri Vidyashankar Krishnan	189 : 1
Vice Chairman and Managing Director (Chief Executive Officer)	
Shri. K. Venkatramanan, Joint Managing Director	183 : 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	0.81%
Shri V. Vaidyanathan	2.24%
Shri A. Gopalakrishnan	2.84%
Smt Kavitha Vijay	NA
Shri Vidyashankar Krishnan	1.78%
Vice Chairman and Managing Director (Chief Executive Officer)	
Shri. K. Venkatramanan, Joint Managing Director	1.53%
Smt.J.Sumathi	9.40%
Shri.R.Venkatakrishnan	9.10%

18.3 Percentage increase in median remuneration of employees : 9.2%

18.4 The number of permanent employees on the rolls of Company: 1289

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

PAT – (last year) - ₹ 5054.82 Lakhs PAT – (this year) - ₹ 5008.83 Lakhs, Decrease - 0.91% against which, the average increase in remuneration is 7.90%.

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	37544012	1.78%	5008.83	-0.91%
J.Sumathi	Company Secretary	948143	9.40%		
R.Venkatakrishnan	CFO	1331350	9.10%		

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. 2015	12070400	678	41.88	16.19	818.37
31.03.2016	12070400	443	41.50	10.67	534.72
Increase/ (Decrease)	NIL	(235)	(0.38)	(5.51)	(283.65)
% of Increase / (Decrease)	NIL	(34.66)	(0.91)	(34.06)	(34.66)

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 9.20% in keeping with industry trends.

Average Increase in Remuneration for Promoters is 1.66% in keeping with profits of the Company.

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 31.03.2016 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 2016 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 COMMITTEE AND INDIVIDUAL DIRECTORS

1. Nomination and Remuneration Committee of the Board had prepared and sent through its Chairman draft parameterized feed back forms for evaluation of the Board, Independent Directors and Chairman.

2. Independent Directors at a meeting without anyone from the non-independent directors and management, considered/evaluated, the Board's performance and other non-independent Directors at their meeting held on 07 November 2015.

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 V. Shankar, Practicing Company Secretaries (C.P. No.12974) as the Secretarial Auditor for FY 2016 whose report of 09 May 2016 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 2016-17.

31. EXPLANATION TO AUDITOR'S REMARKS

Not applicable

32. DEPOSITS

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

33. ENERGY, TECHNOLOGY & 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

34. 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.

35. 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.

36. 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 : Chennai
Date : 09 May 2016

Vidyashankar Krishnan
Chairman of this Meeting

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 2016.

(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 generated 211 lakh units from its wind and solar farms equivalent to approximately 19500 tons of CO₂.
4. Impact of measures at 1, 2 & 3 for reduction of energy consumption and consequent impact on the cost of production of goods: It is not possible to determine the figure.

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

	2015-16	2014-15
1 ELECTRICITY		
a. Purchased:		
1 ELECTRICITY		
a. Purchased:		
Units	5,20,58,575	5,16,89,176
Total Amount. (₹)	41,25,67,812	39,15,49,639
Rate / Unit (₹)	7.93	7.58
b. Own Generation:		
Units	6,66,476	2,08,319
Units per ltr.	2.79	2.74
Cost / Unit (₹)	17.17	46.28
2 FUEL OIL		
Quantity (in ltrs)	21,32,290	28,07,014
Total amount (₹)	6,16,96,721	9,93,54,138
Average Rate (₹/ltr.)	28.93	35.39
3 CONSUMPTION PER UNIT OF PRODUCTION		
a. Electricity	Units 1362	1358
b. Fuel Oil	Litres 55	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 ₹ 33743.07 lakhs form a significant part of the company's turnover (₹ 35059.10 lakhs in 2014-15)
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: : ₹ 3,24,84,20,924 (₹ 3,33,41,32,185 in 2014-15) b. Used: ₹ 59,00,68,608 (₹ 41,68,31,114 in 2014-15)

For and On behalf of the Board

Place : Chennai
Date : 09 May 2016

Vidyashankar Krishnan
Chairman of this Meeting

ANNEXURE II FORMING PART OF THE REPORT OF THE DIRECTORS

(Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Report of the Directors for the year ended 31.03.2016)

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 ₹ 24,00,000 per annum									
1	Shri Vidyashankar Krishnan DIN: 00081441	Vice Chairman and Managing Director	37544012	B.E.,M.S.	26	25.06.1990	50	Nil	11.27%
2	Shri. K.Venkatramanan DIN : 00823317	Jt. Managing Director	36413444	B.E.	24	24.01.1992	46	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									
None									

Note:

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

For and on behalf of the Board

Place : Chennai
Date : 09.05.2016

Vidyashankar Krishnan
Chairman of this Meeting

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 2016 is as follows:

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

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

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

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

No. of Board Meetings : Four

Date of Board Meeting held during the year- 18 May 2015, 04 August 2015, 07 November 2015 and 13 February 2016.

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.

**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, 2016. 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.

2.8. Disclosure of relationships between Directors Interse:

Shri. Vidyashakar Krishnan, Vice Chairman and Managing Director and Shri. K. Venkataramanan, Joint Managing Director are brothers.

2.9. No. of shares held by Non-executive Directors

2.9.1. Shri. V. Vaidyanathan - 6000 shares

2.9.2. Shri. A. Gopalakrishnan - 800 shares

2.10. Web link where details of finalisations programmes imparted to independent Directors is disclosed : www.mmforgings.com

3. Audit Committee (AC):

3.1. Terms of reference: The terms of reference of the AC are in accordance with Regulations 18 of SEBI (LODR) and 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 accordance with SEBI (LODR).

3.2. Date of Meetings:

During the year under review, the Committee had 4 meetings held as follows: 18 May 2015, 04 August 2015, 07 November 2015 and 13 February 2016

3.3. Formation, Composition and attendance to the AC Meetings:

The AC of the Board was formed on 16 June 2001. The Committee was reconstituted as follows as on 01 April 2015:

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
Smt. Kavitha Vijay	4	3

3.4 Four members are Non- Executive Independent Directors.

3.5 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 and was reconstituted on 01 April 2015, to redress the grievances of the Investors / Shareholders.

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

18 May 2015, 04 August 2015, 07 November 2015 and 13 February 2016

4.1.1. Composition:

Non – Executive Chairman – Shri V. Vaidyanathan

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

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	2
Shri. A. Gopalakrishnan	4	4
Smt. Kavitha Vijay	4	3

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 16 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 – 4) 18 May 2015, 04 August 2015, 07 November 2015 and 13 February 2016.

6.3 Attendance:

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

6.4 Annual report on CSR

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

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

6.4.3 Average net profits of the Company for last three financial years : ₹ 45.19 Crores.

6.4.4 Prescribed CSR expenditure (2% of the amount as in item no. 3 above) : ₹ 90.38 lakhs.

6.4.5 Details of CSR spent during the financial year :

6.4.5.1 Total amount spent for the financial year : ₹ 99.56 lakhs

6.4.5.2 Amount unspent if any : Nil

Excess spent : 9.18 lakhs

**6.4.5.3 Manner in which the amount spent during the financial year is detailed below : ₹ in lakhs**

#	CSR projects or activities identified	Sector in which the Project is covered	Projects or programs 1) Local area or other (2) Specify the State, the district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects / programs Sub-heads: (1) Direct on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period (₹ in Lakhs)	Amount spent : Direct or through implementing agency
1	Eradicating Hunger and Poverty	Livelihood	KarnatakaTamil Nadu Uttaranchal	19.00	18.92	18.92	Direct
2	Education	Education	Maharashtra Tamil Nadu	23.50	23.25	23.25	Direct
3	Combating Diseases	Health	DelhiKarnataka Tamil Nadu	16.00	15.85	15.85	Direct
4	Social Business Projects	Social Business	Tamil Nadu	31.38	40.54	40.54	Direct
5	Gender Equality & Empower Women	Empowerment of Women	—	1.00	1.00	1.00	Direct
	TOTAL			90.38	99.56	99.56	Direct

- 6.1.1 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
- 6.1.2 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.

Vidyashankar Krishnan V.Vaidyanathan
Chairman CSR Committee 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, Shri A. Gopalakrishnan and Smt. Kavitha Vijay.
- 7.3 Date of Meetings: (Total no. of meetings – 4) 18 May 2015, 04 August 2015, 07 November 2015 and 13 February 2016.
- 7.4 Attendance:

Name of the Director	No. of Nom. And Remn. Committee Meetings held	No. of Nom. And Remn. Committee Meetings attended
Shri N. Srinivasan	4	4
Shri V. Vaidyanathan	4	4
Shri Vidyashankar Krishnan	4	4
Shri. K. Venkatramanan	4	2
Shri. A. Gopalakrishnan	4	4
Smt. Kavitha Vijay	4	3



7.5 Performance evaluation criteria for Independent Directors:

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

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

Matters taken into consideration for performance evaluation.

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

8 Whistle Blower Protection Committee:

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

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

8.2 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 – 4) 18 May 2015, 04 August 2015, 07 November 2015 and 13 February 2016

8.4 The Committee has not received any whistle Blower during the year 2015-16. No personnel has been denied access to Audit Committee.

9 Directors' Remuneration:

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

	Mr. Vidyashankar Krishnan		Mr. K. Venkatramanan	
	2016	2015	2016	2015
Salary and allowances	2,00,35,875	1,74,22,500	1,90,44,000	1,65,60,000
Perquisites:				
Provident Fund	15,60,156	13,56,560	15,60,156	13,56,560
Superannuation	17,85,400	15,52,500	17,85,400	15,52,500
Gratuity Insurance	4,88,003	4,03,800	4,88,003	4,03,800
Others	2,74,578	2,73,615	1,35,885	1,11,740
Commission on Profits	1,34,00,000	1,58,80,000	1,34,00,000	1,58,80,000
Total	3,75,44,012	3,68,88,975	3,64,13,444	3,58,64,600

9.2 Remuneration of non – executive directors:

		Commission in ₹	Sitting Fees in ₹	Total in ₹
Mr. N. Srinivasan	2014-15	7,50,000	53,500	8,03,500
	2015-16	7,50,000	60,000	8,10,000
Mr. V.Vaidyanathan	2014-15	4,00,000	69,500	4,69,500
	2015-16	4,00,000	80,000	4,80,000
Mr. A. Gopalakrishnan	2014-15	3,00,000	69,500	3,69,500
	2015-16	3,00,000	80,000	3,80,000
Mrs. Kavitha Vijay	2014-15	-	-	-
	2015-16	3,00,000	52,500	3,52,500

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

9.3. All Pecuniary relationship of Non Executive Directors Nil

9.4. Criteria of making payments to Non Executive Directors:

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

10. General Meetings:

10.1 Location and time, where last three AGMs held:

Financial year	Date	Time	Location
2012-13	29 August 2013	12 Noon	Narada Gana Sabha, Chennai
2013-14	27 August 2014	11.45 A.M	Narada Gana Sabha, Chennai
2014-15	26 August 2016	11.45 A.M	Narada Gana Sabha, Chennai

10.2 Special Resolutions passed in the previous 3 AGMs:

10.2.1 Resolution passed by way of Postal Ballot in 2014

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

10.2.1.2 To increase the Borrowing limits upto ₹ 500 Crores.

11. Disclosures:

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

11.2 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 2016

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	0.0
Shri. R Venkatakrisnan	Chief Financial Officer	1200	0.01

11.3 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.

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

11.5 Disclosures regarding appointment or reappointment of Director:

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

Given below are the brief resume of the Director

Mr. Vidyashankar Krishnan is a Post Graduate in Engineering from IIT, Chennai with 24 years of experience in the Company, serving on the Board since April 1997. In February 1999 he became the Managing Director. His accomplishments include major expansion at Viralimalai Plant, setting up of new Plant near Chennai, setting up of Wind farm, Solar Power and also Company's foray into machined components. The Company has posted considerable growth under his stewardship. With effect from 24th October 2012, he was appointed as Vice Chairman and was designated as Vice Chairman and Managing Director.



12. Means of Communication

- 12.1 The quarterly, half yearly and annual results of the Company's performance are published in financial dailies viz., Business line and Makkal Kural
- 12.2 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
- 12.3 The financial results, official news releases and presentation made to Institutional Investors are displayed on the website of the Company, www.mmforgings.com.

13. General Shareholders Information

- 13.1 Date, time and venue of the Annual General Meeting
Annual General Meeting is proposed to be held on The Music Academy, (Mini Hall) Old No. 306 New No. 168, T.T.K. Road, Royapettah, Chennai- 600 014 on Tuesday, 06 September 2016 at 12.00 Noon
- 13.2 Financial year :01 April 2015 to 31 March 2016
- 13.3 Date of Book Closure : 31 August 2016 to 06 September 2016
- 13.4 Record date : 29 May 2015, 20 November 2015 and 22 March 2016
- 13.5 Dividend payment date : 8 June 2015, 26 November 2015 and 28 March 2016
- 13.6 Listing on Stock Exchanges :
The shares of the Company are listed at:
- 13.6.1 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
- 13.6.2 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.
- 13.7 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
- 13.7.1 The ISIN No. of the Company's equity shares in Demat form : INE227C01017
- 13.7.2 Depository Connectivity : National Securities Depository Limited, Central Depository Services (India) Limited
- 13.8 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 Phone Nos. : 28460390 - 94
They are the Common Agency for all Investor Servicing activities relating to both electronic and physical segments.
- 13.9 Share Transfer System
- The Share Transfer Agent acknowledges and executes transfers of securities. The Share Transfer Committee approves the transfers etc.
 - They arrange for issue of dividend. They reconcile the Dividend paid with that of the list of the shareholders.
 - They also accepts, deals with and resolves complaints of the shareholders. Shareholder complaints are given top priority by the Company and are replied to, promptly by the Secretarial Department and Share Transfer Agents.
 - Remat requests are processed within the time prescribed.
 - Demat requests are processed within the time prescribed.
 - The Company's Registrar and share Transfer Agents, Cameo Corporate Services Limited have adequate infrastructure to process the share transfers.

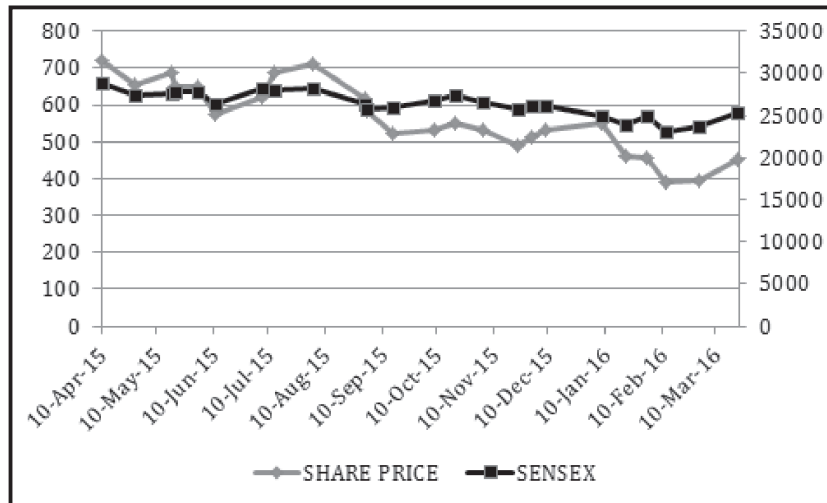
13.10 Pattern of shareholding as on 31 March 2016

No. of equity shares held	No. of shareholders	% to total	No. of shares held	% of shareholding
1-500	7876	92.20	766659	6.35
501-1000	320	3.75	247352	2.05
1001-2000	143	1.67	214397	1.77
2001-3000	61	0.71	159548	1.32
3001-4000	25	0.29	92830	0.77
4001-5000	18	0.21	85965	0.72
5001-10000	38	0.45	285982	2.37
10000 & above	61	0.72	10217667	84.65
TOTAL	8542	100.00	12070400	100.00

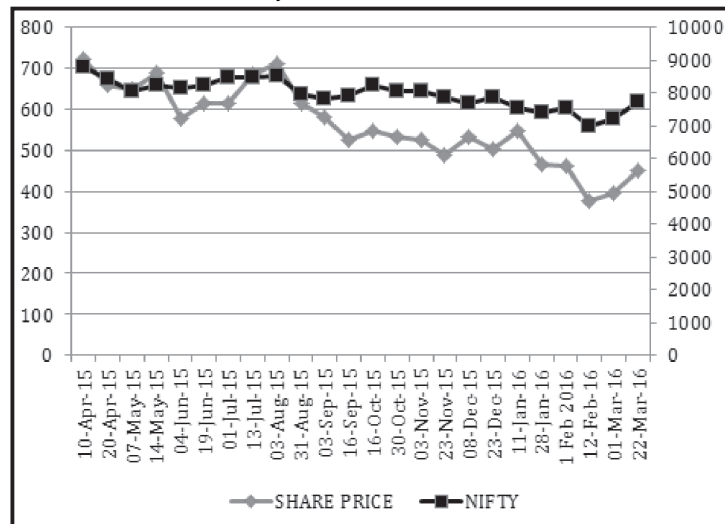
13.11 Shareholding pattern as on 31 March 2016

	No. of Share-holders	% to total	No. of shares held	% of share-holding
Resident Indians	8101	94.84	2869014	23.77
FII	4	0.05	408680	3.39
Financial Institutions/banks	1	0.01	838	0.01
NRIs	195	2.28	66376	0.55
Domestic Company	218	2.55	248315	2.06
Trust	2	0.02	14707	0.12
Mutual Funds	11	0.13	1653745	13.70
Promoters	10	0.12	6808725	56.41
Total	8542	100.00	12070400	100.00

13.12 Share Performance BSE vs SENSEX



13.13 Share Performance NSE vs Nifty





13.14 Share price data

Month	Bombay Stock Exchange		National Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-15	722	654	723	660
May -15	689	649	689	649
June-15	651	575	614	576
July -15	687	620	686	616
Aug -15	709	615	710	614
Sept-15	585	522	581	526
Oct -15	553	531	549	532
Nov- 15	530	491	525	489
Dec-15	531	513	531	503
Jan -16	552	462	547	467
Feb -16	458	389	461	376
Mar-16	452	396	452	396

13.15 Dematerialisation of shares :

1,17,96,171 Shares (97.73%) dematerialized as on 31 March 2016.

Promoters: 6808725 (56.41 %)

Public: 4987446 (41.32%)

13.16 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

13.17 Outstanding GDRs / ADRs / Warrants or any convertible instruments etc

As on 31 March 2016 the company has not issued these types of securities

13.18 Plant Location

13.18.1 Singampunari – 624 502

13.18.2 Viralimalai – 621 316

13.18.3 A24/25 Thiru-Vi-Ka Industrial Estate, Guindy, Chennai

13.18.4 Karanaithangal Village, Mathur Post – 602 105, Sriperumbudur Taluk, Kancheepuram District

13.18.5 Wind farm at Panagudi village near Muppandal in Tirunelveli District.

13.18.6 Wind farm at Meenakshipuram Village, Theni District.

13.18.7 Wind farm at Kulasekaramangalam Villlage, Sankaran Kovil Taluk, Tirunelveli – 627 756.

13.18.8 Solar Plant at Bommakottai, Kalayar Karisalkulam Village, Virudhunagar District, Arupukottai – 626 105.

13.19 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

13.20 Compliance Officer : Ms.J.Sumathi, Company Secretary

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

13.22 Website : www.mmforgings.com

13.23 Details of bonus share certificates returned undelivered – Bonus issue 2005

No. of shareholders at the beginning of the year – 66

No. of outstanding shares at the beginning of the year – 8000

No. of shareholders who approached the issuer for transfer of these shares during the year– 1

No. of shareholders 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



- 13.24 Details of bonus share certificates returned undelivered – Bonus issue 2008
No. of shareholders at the beginning of the year – 73
No. of outstanding shares at the beginning of the year – 15600
No. of shareholders who approached the issuer for transfer of these shares during the year–2
No. of shareholders to whom shares were transferred - 2
No. of shareholders at the end of the year– 73
No. of outstanding shares at the end of the year –15600
- 13.25 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.
- 13.26 Reminder letters have been sent to those shareholders who have not claimed their bonus shares.
- 14 **Other Disclosures :**
- 14.1 Disclosure in Material Significant related party transactions : Nil
- 14.2 Details of Non Compliance, Penalties, Structures imposed on any matter connected with Capital market : Nil
- 14.3 The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for Directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the audit committee. The said policy has been also put up on the website of the Company.
- 14.4 All mandatory requirements have been disclosed and some non mandatory requirements have been adopted.
- 14.5 Policy for determining related party transaction is disclosed in Company's website www.mmforgings.com.
- 14.6 Commodity price risk and hedging activities : These have been disclosed under Management Discussion and Analysis.
- 14.7 The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI Listing Regulations:
The Company has separate persons to the post of Chairperson and CEO (Clause D)
- 14.8 The necessary disclosures of the Compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 have been complied.



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, 2016 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s) relevant provisions of SEBI (LODR), which ever is applicable.
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. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Place : Chennai
Date : 09 May 2016

G. Ramesh Kumar
Partner
Membership No. 200/18663

CEO and CFO 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 for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting 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 over financial reporting 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, for financial reporting.

Place : Chennai
Date : 09 May 2016

Vidyashankar Krishnan
Vice Chairman and Managing Director

Declaration to the Members pursuant to Listing Agreement / SEBI (LODR)

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 2016.

For M M Forgings Limited

Place : Chennai
Date : 09 May 2016

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 2016

[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 shares held	Applicable Section
1	NIL				

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

Category of the director	No. of Shares held at the beginning of the year – 31.03.2015				No. of Shares held at the end of the year – 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
A. Individuals/Hindu Undivided family	789525	0	789525	6.5410	789525	0	789525	6.5410	0.0000
B. Central Government/ State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
C. Bodies Corporate	3366600	0	3366600	27.8913	3366600	0	3366600	27.8913	0.0000
D. Financial Institutions /Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
E. Any Other									
Directors and their Relatives	2652600	0	2652600	21.9760	2652600	0	2652600	21.9760	0.0000
	2652600	0	2652600	21.9760	2652600	0	2652600	21.9760	0.0000
Sub - Total (A)(1)	6808725	0	6808725	56.4084	6808725	0	6808725	56.4084	0.0000


j) Category-wise Share Holding

Category of the director	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Foreign									
A. Individuals (Non-resident Individuals/Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
B. Bodies Corporate	0	0	0	0.0000	0	0	0	0.0000	0.0000
C. Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
D. Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
E. Any Other									
Sub - Total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total Share Holding Of promoter And Promoter group (A) = (A)(1)+(A)(2)	6808725	0	6808725	56.4084	6808725	0	6808725	56.4084	0.0000
B. Public Shareholding									
1. Institutions									
A. Mutual Funds/UTI	915580	2400	917980	7.6052	1651345	2400	1653745	13.7008	6.0956
B. Financial Institutions /Banks	3643	0	3643	0.0301	838	0	838	0.0069	-0.0232
C. Central Government /State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
D. Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
E. Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
F. Foreign Institutional investors	344470	100	344570	2.8546	408580	100	408680	3.3858	0.5311
G. Foreign Venture capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
H. Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
I. Any Other									
Sub - Total (B)(1)	1263693	2500	1266193	10.4900	2060763	2500	2063263	17.0935	6.6035
2. Non-institutions									
A. Bodies Corporate	435895	3000	438895	3.6361	245315	3000	248315	2.0572	-1.5789
B. Individuals -									
i Individual Shareholders holding Nominal Share Capital upto Rs. 1 Lakh	1526115	183576	1709691	14.1643	1404920	171029	1575949	13.0563	-1.1080
ii Individual Shareholders holding Nominal Share Capital in Excess Of Rs. 1 Lakh	1525975	123000	1648975	13.6613	1117137	85200	1202337	9.9610	-3.7002
C. Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
D. Any Other									
Clearing Members	6854	0	6854	0.0567	3266	0	3266	0.0270	-0.0297
Hindu Undivided Families	90693	0	90693	0.7513	87462	0	87462	0.7245	-0.0267
Non Resident Indians	72152	12500	84652	0.7013	53876	12500	66376	0.5499	-0.1514
Trusts	15722	0	15722	0.1302	14707	0	14707	0.1218	-0.0084
	185421	12500	197921	1.6397	159311	12500	171811	1.4234	-0.2163
Sub - Total (B)(2)	3673406	322076	3995482	33.1014	2926683	271729	3198412	26.4979	-6.6035
Total Public Shareholding (b) = (B)(1)+(B)(2)	4937099	324576	5261675	43.5915	4987446	274229	5261675	43.5915	0.0000
Total (A)+(B)	11745824	324576	12070400	100.0000	11796171	274229	12070400	100.0000	0.0000

**i) Category-wise Share Holding**

Category of the director	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
C. Shares Held By custodians And Against which Depository Receipts have been Issued									
Promoter And Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total Custodian (C)Q	0	0	0	0.0000	0	0	0	0.0000	0.0000
Grand Total (A)+(B)+(C)	11745824	324576	12070400	100.0000	11796171	274229	12070400	100.0000	0.0000

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	SYNMAX CONSULTANTS & TRADING PVT LTD	2898000	24.0091	0.0000	2898000	24.0091	0.0000	0.0000
2	VIDYASHANKAR KRISHNAN JT1 : SUMITA VIDYASHANKAR	1360120	11.2682	0.0000	1360120	11.2682	0.0000	0.0000
3	K VENKATRAMANAN	1292480	10.7078	0.0000	1292480	10.7078	0.0000	0.0000
4	SIVASUNDAR PRIVATE LTD	468600	3.8822	0.0000	468600	3.8822	0.0000	0.0000
5	S LAKSHMAN	380779	3.1546	0.0000	380779	3.1546	0.0000	0.0000
6	LAKSHMI RAMACHANDRAN	283990	2.3527	0.0000	283990	2.3527	0.0000	0.0000
7	R SUBRAMONIAN JT1 : SUMITAVIDYASHANKAR	77600	0.6428	0.0000	77600	0.6428	0.0000	0.0000
8	AJAY SHANKAR RAMACHANDRAN	27000	0.2236	0.0000	27000	0.2236	0.0000	0.0000
9	SUMITA VIDYASHANKAR JT1 : VIDYASHANKAR KRISHNAN	16400	0.1358	0.0000	16400	0.1358	0.0000	0.0000
10	VIJAY SUNDAR RAMACHANDRAN	3756	0.0311	0.0000	3756	0.0311	0.0000	0.0000

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

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SYNMAX CONSULTANTS & TRADING PVT LTD At the beginning of the year 01-Apr-2015 At the end of the Year 31-Mar-2016	2898000 2898000	24.0091 24.0091	2898000 2898000	24.0091 24.0091
2	VIDYASHANKAR KRISHNAN JT1 : SUMITA VIDYASHANKAR At the beginning of the year 01-Apr-2015 At the end of the Year 31-Mar-2016	1360120 1360120	11.2682 11.2682	1360120 1360120	11.2682 11.2682
3	K VENKATRAMANAN At the beginning of the year 01-Apr-2015 At the end of the Year 31-Mar-2016	1292480 1292480	10.7078 10.7078	1292480 1292480	10.7078 10.7078
4	SIVASUNDAR PRIVATE LTD At the beginning of the year 01-Apr-2015 At the end of the Year 31-Mar-2016	468600 468600	3.8822 3.8822	468600 468600	3.8822 3.8822
5	S LAKSHMAN At the beginning of the year 01-Apr-2015 At the end of the Year 31-Mar-2016	380779 380779	3.1546 3.1546	380779 380779	3.1546 3.1546
6	LAKSHMI RAMACHANDRAN At the beginning of the year 01-Apr-2015 At the end of the Year 31-Mar-2016	283990 283990	2.3527 2.3527	283990 283990	2.3527 2.3527
7	R SUBRAMONIAN JT1 : SUMITAVIDYASHANKAR At the beginning of the year 01-Apr-2015 At the end of the Year 31-Mar-2016	77600 77600	0.6428 0.6428	77600 77600	0.6428 0.6428
8	AJAY SHANKAR RAMACHANDRAN At the beginning of the year 01-Apr-2015 At the end of the Year 31-Mar-2016	27000 27000	0.2236 0.2236	27000 27000	0.2236 0.2236
9	SUMITA VIDYASHANKAR JT1 : VIDYASHANKAR KRISHNAN At the beginning of the year 01-Apr-2015 At the end of the Year 31-Mar-2016	16400 16400	0.1358 0.1358	16400 16400	0.1358 0.1358
10	VIJAY SUNDAR RAMACHANDRAN At the beginning of the year 01-Apr-2015 At the end of the Year 31-Mar-2016	3756 3756	0.0311 0.0311	3756 3756	0.0311 0.0311


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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ANIL KUMAR GOEL				
	At the beginning of the year 01-Apr-2015	428000	3.5458	428000	3.5458
	Sale 10-Apr-2015	-2578	0.0213	425422	3.5245
	Sale 17-Apr-2015	-1253	0.0103	424169	3.5141
	Sale 01-May-2015	-24869	0.2060	399300	3.3080
	Sale 08-May-2015	-3448	0.0285	395852	3.2795
	Sale 15-May-2015	-4752	0.0393	391100	3.2401
	Sale 22-May-2015	-7100	0.0588	384000	3.1813
	Sale 10-Jul-2015	-204000	1.6900	180000	1.4912
	Sale 07-Aug-2015	-5000	0.0414	175000	1.4498
	At the end of the Year 31-Mar-2016	175000	1.4498	175000	1.4498
2	FRANKLIN INDIA SMALLER COMPANIES FUND				
	At the beginning of the year 01-Apr-2015	423288	3.5068	423288	3.5068
	Purchase 10-Apr-2015	60000	0.4970	483288	4.0039
	Purchase 24-Apr-2015	2022	0.0167	485310	4.0206
	Purchase 01-May-2015	4330	0.0358	489640	4.0565
	Purchase 08-May-2015	50000	0.4142	539640	4.4707
	Purchase 22-May-2015	52470	0.4346	592110	4.9054
	Purchase 29-May-2015	971	0.0080	593081	4.9135
	Purchase 05-Jun-2015	3381	0.0280	596462	4.9415
	Purchase 12-Jun-2015	18090	0.1498	614552	5.0913
	Purchase 19-Jun-2015	16841	0.1395	631393	5.2309
	Purchase 30-Jun-2015	3641	0.0301	635034	5.2610
	Purchase 03-Jul-2015	6717	0.0556	641751	5.3167
	Purchase 24-Jul-2015	3232	0.0267	644983	5.3435
	Purchase 31-Jul-2015	7722	0.0639	652705	5.4074
	Purchase 07-Aug-2015	707	0.0058	653412	5.4133
	Purchase 28-Aug-2015	35929	0.2976	689341	5.7110
	At the end of the Year 31-Mar-2016	689341	5.7110	689341	5.7110
2	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA OPPORTUNITIES FUND (SAME PAN)				
	At the beginning of the year 01-Apr-2015	113429	0.9397	113429	0.9397
	Purchase 04-Sep-2015	1764	0.0146	115193	0.9543
	Purchase 11-Sep-2015	3236	0.0268	118429	0.9811
	At the end of the Year 31-Mar-2016	118429	0.9811	118429	0.9811



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN BUILD INDIA FUND (FBIF) (SAME PAN)				
	At the beginning of the year 01-Apr-2015	0	0.0000	0	0.0000
	Purchase 22-May-2015	24692	0.2045	24692	0.2045
	Purchase 29-May-2015	9714	0.0804	34406	0.2850
	Purchase 05-Jun-2015	15594	0.1291	50000	0.4142
	Purchase 12-Jun-2015	19825	0.1642	69825	0.5784
	Purchase 19-Jun-2015	30175	0.2499	100000	0.8284
	Purchase 07-Aug-2015	17586	0.1456	117586	0.9741
	Purchase 14-Aug-2015	19839	0.1643	137425	1.1385
	Purchase 19-Aug-2015	3837	0.0317	141262	1.1703
	Purchase 21-Aug-2015	3308	0.0274	144570	1.1977
	Purchase 28-Aug-2015	5430	0.0449	150000	1.2427
	Purchase 11-Sep-2015	149	0.0012	150149	1.2439
	Purchase 13-Nov-2015	1872	0.0155	152021	1.2594
	Purchase 27-Nov-2015	2840	0.0235	154861	1.2829
	Purchase 04-Dec-2015	638	0.0052	155499	1.2882
	Purchase 18-Dec-2015	501	0.0041	156000	1.2924
	Purchase 01-Jan-2016	9000	0.0745	165000	1.3669
Purchase 19-Feb-2016	5000	0.0414	170000	1.4084	
At the end of the Year 31-Mar-2016	170000	1.4084	170000	1.4084	
3	SWISS FINANCE CORPORATION (MAURITIUS) LIMITED				
	At the beginning of the year 01-Apr-2015	189936	1.5735	189936	1.5735
	Purchase 17-Apr-2015	4778	0.0395	194714	1.6131
	Purchase 24-Apr-2015	6636	0.0549	201350	1.6681
	Purchase 01-May-2015	30462	0.2523	231812	1.9204
	Purchase 08-May-2015	9415	0.0780	241227	1.9985
	Purchase 15-May-2015	4157	0.0344	245384	2.0329
	Sale 28-Aug-2015	-7158	0.0593	238226	1.9736
	Purchase 11-Dec-2015	13641	0.1130	251867	2.0866
	Purchase 18-Dec-2015	21544	0.1784	273411	2.2651
	Purchase 25-Dec-2015	23456	0.1943	296867	2.4594
	At the end of the Year 31-Mar-2016	296867	2.4594	296867	2.4594
4	SEEMA GOEL				
	At the beginning of the year 01-Apr-2015	164000	1.3586	164000	1.3586
	Sale 10-Apr-2015	-4000	0.0331	160000	1.3255
	Sale 01-May-2015	-10000	0.0828	150000	1.2427
	Sale 08-May-2015	-2000	0.0165	148000	1.2261
Sale 15-May-2015	-3000	0.0248	145000	1.2012	



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Sale 05-Jun-2015 Sale 10-Jul-2015 Sale 07-Aug-2015 Purchase 04-Sep-2015 Purchase 11-Sep-2015 At the end of the Year 31-Mar-2016	-90 -99910 -2341 455 86 43200	0.0007 0.8277 0.0193 0.0037 0.0007 0.3579	144910 45000 42659 43114 43200 43200	1.2005 0.3728 0.3534 0.3571 0.3579 0.3579
5	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECTMICROCAP SERIES VI At the beginning of the year 01-Apr-2015 Purchase 12-Feb-2016 Purchase 19-Feb-2016 At the end of the Year 31-Mar-2016	138608 1736 264 140608	1.1483 0.0143 0.0021 1.1648	138608 140344 140608 140608	1.1483 1.1627 1.1648 1.1648
5	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECTMICROCAP SERIES V (SAME PAN) At the beginning of the year 01-Apr-2015 Sale 14-Aug-2015 Sale 08-Jan-2016 At the end of the Year 31-Mar-2016	112402 -4579 -2657 105166	0.9312 0.0379 0.0220 0.8712	112402 107823 105166 105166	0.9312 0.8932 0.8712 0.8712
5	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECTMICROCAP SERIES VII (SAME PAN) At the beginning of the year 01-Apr-2015 Purchase 12-Feb-2016 Purchase 19-Feb-2016 At the end of the Year 31-Mar-2016	69772 3472 528 73772	0.5780 0.0287 0.0043 0.6111	69772 73244 73772 73772	0.5780 0.6068 0.6111 0.6111
5	SUNDARAM MUTUAL FUND A/C SUNDARAM LONG TERM TAX ADVANTAGE FUND (SAME PAN) At the beginning of the year 01-Apr-2015 Purchase 26-Jun-2015 Sale 07-Aug-2015 At the end of the Year 31-Mar-2016	8081 2000 -10081 0	0.0669 0.0165 0.0835 0.0000	8081 10081 0 0	0.0669 0.0835 0.0000 0.0000



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECTMICROCAP SERIES VIII (SAME PAN) At the beginning of the year 01-Apr-2015	0	0.0000	0	0.0000
	Purchase 08-Jan-2016	1345	0.0111	1345	0.0111
	Purchase 12-Feb-2016	20830	0.1725	22175	0.1837
	Purchase 19-Feb-2016	3170	0.0262	25345	0.2099
	Purchase 11-Mar-2016	240	0.0019	25585	0.2119
	Purchase 18-Mar-2016	201	0.0016	25786	0.2136
	At the end of the Year 31-Mar-2016	25786	0.2136	25786	0.2136
5	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECTMICROCAP SERIES IX (SAME PAN) At the beginning of the year 01-Apr-2015	0	0.0000	0	0.0000
	Purchase 08-Jan-2016	798	0.0066	798	0.0066
	Purchase 12-Feb-2016	12151	0.1006	12949	0.1072
	Purchase 19-Feb-2016	1849	0.0153	14798	0.1225
	Purchase 11-Mar-2016	142	0.0011	14940	0.1237
	Purchase 18-Mar-2016	119	0.0009	15059	0.1247
	At the end of the Year 31-Mar-2016	15059	0.1247	15059	0.1247
5	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECTMICROCAP SERIES X (SAME PAN) At the beginning of the year 01-Apr-2015	0	0.0000	0	0.0000
	Purchase 08-Jan-2016	513	0.0042	513	0.0042
	Purchase 12-Feb-2016	7811	0.0647	8324	0.0689
	Purchase 19-Feb-2016	1189	0.0098	9513	0.0788
	Purchase 11-Mar-2016	93	0.0007	9606	0.0795
	Purchase 18-Mar-2016	78	0.0006	9684	0.0802
	At the end of the Year 31-Mar-2016	9684	0.0802	9684	0.0802
6	MERRILL LYNCH CAPITAL MARKETS ESPANA S.A. S.V. At the beginning of the year 01-Apr-2015	122840	1.0176	122840	1.0176
	Sale 29-Jan-2016	-4000	0.0331	118840	0.9845
	Sale 05-Feb-2016	-6640	0.0550	112200	0.9295
	Sale 12-Feb-2016	-489	0.0040	111711	0.9254
	Sale 19-Feb-2016	-911	0.0075	110800	0.9179
	Sale 04-Mar-2016	-4000	0.0331	106800	0.8848
	At the end of the Year 31-Mar-2016	106800	0.8848	106800	0.8848



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	MEENAKSHI SUBRAMANIAM				
	At the beginning of the year 01-Apr-2015	117097	0.9701	117097	0.9701
	Sale 10-Apr-2015	-335	0.0027	116762	0.9673
	At the end of the Year 31-Mar-2016	116762	0.9673	116762	0.9673
8	VISHNU SRIVATSAN				
	At the beginning of the year 01-Apr-2015	72558	0.6011	72558	0.6011
	Purchase 15-May-2015	210	0.0017	72768	0.6028
	At the end of the Year 31-Mar-2016	72768	0.6028	72768	0.6028
9	RELIGARE FINVEST LTD				
	At the beginning of the year 01-Apr-2015	54503	0.4515	54503	0.4515
	Sale 10-Apr-2015	-54503	0.4515	0	0.0000
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000
10	CAWAS MISTRY JT1 : ZARIN MISTRY				
	At the beginning of the year 01-Apr-2015	53056	0.4395	53056	0.4395
	At the end of the Year 31-Mar-2016	53056	0.4395	53056	0.4395
11	HDFC TRUSTEE COMPANY LIMITED A/C HDFC BALANCED FUND				
	At the beginning of the year 01-Apr-2015	0	0.0000	0	0.0000
	Purchase 17-Jul-2015	300000	2.4854	300000	2.4854
	Purchase 24-Jul-2015	3500	0.0289	303500	2.5144
	At the end of the Year 31-Mar-2016	303500	2.5144	303500	2.5144


(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		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
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	1903130920	0	0	1903130920
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	2474798	0	0	2474798
Total (i+ii+iii)	1905605718	0	0	1905605718
Change in Indebtedness during the financial year				
Addition	384080564	0	0	384080564
Reduction	-152306127	0	0	-152306127
Net Change	231774437	0	0	231774437
Indebtedness at the end of the financial year				
i) Principal Amount	2135315674	0	0	2135315674
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	2064481	0	0	2064481
Total (i+ii+iii)	2137380155	0	0	2137380155


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	2,00,35,875	1,90,44,000	3,90,79,875
	b) Value of perquisites u/s 17 (2) of Income tax Act	41,08,137	39,69,444	80,77,581
	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	1,34,00,000	1,34,00,000	2,68,00,000
5	Others, specify	-	-	-
	TOTAL (A)	3,75,44,012	3,64,13,444	7,39,57,456
	Ceiling as per the Act	3,75,84,152	3,75,84,152	7,51,68,304

B. Remuneration to other directors:

Sl.No.	Particulars of remuneration	Name of directors				Total amount
		N. Srinivasan	V.Vaidyanathan	A.Gopalakrishnan	Kavitha Vijay	
1	Independent Directors					
	● Fee for attending board/ committee meetings	60,000	80,000	80,000	52,500	2,72,500
	● Commission	7,50,000	4,00,000	3,00,000	3,00,000	17,50,000
	● Others, please specify	-	-	-	-	-
	Total (1)	8,10,000	4,80,000	3,80,000	8,52,500	20,22,500
2	Other Non Executive Directors					
	● Fee for attending board/ committee meetings	-	-	-	-	-
	● Commission	-	-	-	-	-
	● Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (b) = (1 +2)					
	Total Managerial Remuneration	8,10,000	4,80,000	3,80,000	8,52,500	20,22,500

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

Sl.No.	Particulars of Remuneration	Key Managerial Personnel		Total amount
		J. Sumathi, Company Secretary	R. Venkatakrishnan, Chief Financial Officer	
1	Gross Salary			
	a) Salary as per provisions contained in section 17 (1) of the Income tax Act	9,48,143	13,31,350	22,79,493
	b) Value of perquisites u/s 17 (2) of Income tax Act	0	0	0
	c) Profits in lieu of salary under section 17 (3) of Income tax Act	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	-As % of profit	0	0	0
	-As others, specify			
5	Others, specify	-		
	TOTAL (A)	9,48,143	13,31,350	22,79,493

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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



Form AOC-2

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

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

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

For and On behalf of the Board

Place : Chennai
Date : 09 May 2016

Vidyashankar Krishnan
Chairman of this Meeting



**SECRETARIAL AUDIT REPORT
FOR THE FINANCAL YEAR ENDED 31.03.2016**

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

To the Members

**MM FORGINGS LIMITED
95, ANNA SALAI, GUINDY,
CHENNAI-600032**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MM Forgings Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **MM Forgings Limited** ("the Company") for the financial year ended on 31st March, 2016 according to the provisions as applicable to the Company during the period of audit:

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. .
- (ii) The Listing Agreements entered into by the Company with the Stock Exchanges, where the equity shares of the Company are listed.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc., mentioned above subject to the following observations:

1. The Company has already appointed a woman director on its Board as per section 149(1) of the Companies Act, 2013.
2. During the audit period the provision as required under section 149(4) read with schedule iv and revised clause 49 of the listing agreement entered with the Stock Exchange have been complied.



3. The service of notice of annual general meeting together with the annual report of the company for the financial year 2015-16 was in compliance with the Companies Act, 2013.

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

- (a) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

requiring compliance thereof by the Company during the Financial Year under review.

I further report that, on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads / company secretary / CEO taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable other general laws including Industrial Laws, Environmental Laws, Human Resources and labour laws.

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

I further report that:

The Board of Directors of the Company is constituted with a balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 delivered and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

Place: Chennai

Date: 09 May 2016

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



ANNEXURE-A

To,

**The Members
MM FORGINGS LIMITED
95, ANNA SALAI, GUINDY,
CHENNAI-600032**

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



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 MM FORGINGS LIMITED ("the Company"), which comprises the Balance Sheet as at March 31, 2016, 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

The Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 (The Act) with respect to the preparation of these stand alone 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 principles generally accepted in India, including the Accounting standard specified in section 133 of The Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding of the assets of the company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent and design and implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Auditor's report under the provisions of the Act and rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that the Report complies with ethical requirements and we 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the over all presentation of the financial statements.

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

Opinion

- 1) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March 2016 and its profit and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of sub sub-section 11 of section 143 of the Act , we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the said Order.
- 2) As required by section 143(3) of the Act, we report that:
 - a) We have sought and 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 it appears from our examination of these 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 aforesaid stand alone financial statements comply with the Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts Rules 2014).
- e) On the basis of written representations received from the Directors as on March 31, 2016 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016, from being appointed as a Director in terms of section 164(2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according the explanations given to us :
 - i) The Company does not have any pending litigation which would impact its financial position.
 - ii) The Company did not have any long term contract including derivative contract for which there were any material foreseeable losses.
 - iii) There has been no delay in transferring the amounts, required to be transferred to the investor education and protection fund.

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

G. Ramesh Kumar
Partner

Place : Tiruchirapalli
Date : 09 May 2016

Membership No. 200/18663

ANNEXURE B CONTAINING REPORT ON MATTERS REQUIRED BY CARO 2015

ANNEXURE B

Regarding MM FORGINGS LIMITED

Referred to in paragraph 1 of our report of even day

- I
 - a) The Company has maintained proper records showing full particulars including quantitative details and situate of fixed assets;
 - b) As explained to us, the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable considering the size and the verification having regard to the size of the company and the nature of its assets. No material discrepancies have been noticed on such physical verification.
 - c) The Title Deeds of Immovable Property are held in the name of the company.
- II
 - a) The inventories have been physically verified by the management during the year at reasonable intervals, except materials lying with third parties, where confirmations are obtained. In our opinion the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- III The Company has neither granted nor taken any loans to and from companies, firms or other parties covered in the Register, maintained under Section 189 of the Companies Act, 2013.
- IV The Company has not given any Loans, Investments, Guarantees and securities falling under section 185/186 of The Companies Act 2013.
- V In our opinion and according to the information and explanation given to us, The company has complied with the provisions of section 73 and 76 of the Companies Act 2013 and the Company's (Acceptance of Deposits) Rules 2014 with regard to the deposits, if any, accepted from the public and from the members.



- VI No order has been passed by the Central Government for maintenance of cost records.
- VII a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Value Added Tax. Wealth Tax, Customs Duty, Excise Duty, Service Tax, Cess and other statutory dues applicable to it.
- b) The following taxes under Tamil Nadu VAT/Indian Income Tax Act are under dispute and appeals are pending before various forums. The company has already paid a sum of Rs 116.38 Lakhs against the disputed TN VAT.
- | | |
|-------------------------------------|------------------|
| VAT for Various Years | Rs 196.64 Lakhs |
| Indian Income Tax Act YE 31.03.2012 | Rs. 370.44 Lakhs |
| YE 31.03.2013 | Rs. 223.29 Lakhs |
- VIII Based on our audit procedure and on the information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of its dues to Financial Institutions, Banks and debenture holders.
- X The Company has not raised any money by way of initial public offer or other public offer and term loan.
- X Based on the audit procedures performed and information and explanations given by the management, we report that no fraud, on or by the Company, has been noticed or reported during the year.
- XI The Managerial Remuneration have been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.
- XII The Company is Not a Nidhi Company.
- XIII All the transactions with the related parties under section 177/188 of the Companies Act 2013 are duly reported by the Directors in their Report for the year.
- XIV The Company has not made any preferential allotment or Private placement of shares or fully / partly paid convertible debentures during the year.
- XV The Company has not entered in to any Non Cash Transactions with Directors or person connected with him as stipulated under section 192 of The Companies Act 2013.
- XVI No registration is required under section 45IA of the Reserve Bank of India Act.

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

G. Ramesh Kumar
Partner

Membership No. 200/18663

Place : Tiruchirapalli
Date : 09 May 2016

**Balance Sheet as at 31st March, 2016**

(₹ in lakhs)

	Note No.	As at March 2016	As at March 2015
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
1.1 Share capital	3	1,207.04	1,207.04
1.2 Reserves and surplus	4	<u>26,752.17</u>	<u>22,585.05</u>
		27,959.21	23,792.09
2 Non-current liabilities			
2.1 Long-term borrowings	5	9,849.57	8,294.77
2.2 Deferred tax liabilities (net)		1,372.31	1,228.86
2.3 Other long-term liabilities	6	<u>38.41</u>	<u>64.32</u>
		11,260.29	9,587.95
3 Current liabilities			
3.1 Short-term borrowings	7	9,213.43	9,178.08
3.2 Trade payables	8	2,994.78	2,750.31
3.3 Other current liabilities	9	2,338.01	1,590.56
3.4 Short-term provisions	10	-	420.86
		<u>14,546.22</u>	<u>13,939.81</u>
TOTAL		<u>53,765.72</u>	<u>47,319.85</u>
B ASSETS			
1 Non-current Assets			
1.1 Fixed Assets			
1.1.1 Tangible Assets	11	26,241.70	22,544.16
1.1.2 Capital work-in-progress		<u>2,960.96</u>	<u>1,106.64</u>
		29,202.66	23,650.80
1.2 Non-current investments	12	17.10	14.02
1.3 Long-term loans and advances	13	559.13	1,481.82
1.4 Other non-current assets	14	<u>324.13</u>	<u>378.20</u>
		900.36	1,874.04
2 Current Assets			
2.1 Inventories	15	7,330.96	7,865.88
2.2 Trade receivables	16	1,497.61	2,912.53
2.3 Cash and cash equivalents	17	12,079.73	8,903.24
2.4 Short-term loans and advances	18	2,750.43	2,104.21
2.5 Other current assets	19	<u>3.97</u>	<u>9.14</u>
		23,662.70	21,795.00
		<u>53,765.72</u>	<u>47,319.85</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

Vidyashankar Krishnan
Chairman of this Meeting -
Vice Chairman and Managing Director

V.Vaidyanathan
Director

G.Ramesh Kumar
Partner
Membership no. 200 / 18663

A. Gopalakrishnan
Director

Kavitha Vijay
Director

Place : Chennai
Date : 09-05-2016

J.Sumathi
Company Secretary

R.Venkatakrishnan
Chief Financial Officer

**Profit and Loss account for the year ended 31st March, 2016**

(₹ in lakhs)

	Note No.	For the year ended 31 March 2016	For the year ended 31 March 2015
A CONTINUING OPERATIONS			
1 Revenue from operations Net of Excise Duty	20	50,225.87	50,253.40
2 Other income	21	540.69	239.86
3 Total revenue (1+2)		<u>50,766.56</u>	<u>50,493.26</u>
4 Expenses			
4.1 Cost of materials consumed	22	19,962.24	21,184.29
4.2 Changes in inventories of Finished Goods / Work-In-Process	23	957.00	-483.20
4.3 Employee benefits expense	24	5,505.74	5,100.98
4.4 Finance costs	25	832.27	914.09
4.5 Depreciation and amortisation Expenses	11.3	3,581.26	3,537.58
4.6 Other expenses	26	12,999.14	13,374.50
Total expenses		<u>43,837.65</u>	<u>43,628.24</u>
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		6,928.91	6,865.02
6 Exceptional items			
Profit on Sale of Business Asset		-	-
Profit on Sale of Other Assets		0.55	1.42
7 Profit / (Loss) before extraordinary items and tax (5 ± 6)		6,929.46	6,866.44
8 Extraordinary items			
9 Profit / (Loss) before tax (7 ± 8)		6,929.46	6,866.44
10 Tax expense:			
10.1 Current tax expense for current year		1,725.00	1,690.00
10.2 Tax expense relating to prior years		52.18	36.92
10.3 Net current tax expense		1,777.18	1,726.92
10.4 Mat Credit entitlement		-	-
10.5 Deferred tax Liability /(Asset)		143.45	84.70
		<u>1,920.63</u>	<u>1,811.62</u>
11 Profit / (Loss) from continuing operations (9 ± 10)		5,008.83	5,054.82
B DISCONTINUING OPERATIONS			
12 Profit / (Loss) from discontinuing operations		-	-
C TOTAL OPERATIONS		<u>5,008.83</u>	<u>5,054.82</u>
13 Profit / (Loss) for the year (11 ± 12)		5,008.83	5,054.82
14 Earnings per share (of Rs. 10 /- each):			
14.1 Basic			
14.1.1 Continuing operations		41.50	41.88
14.1.2 Total operations		41.50	41.88
14.2 Diluted			
14.2.1 Continuing operations		41.50	41.88
14.2.2 Total operations		41.50	41.88

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

Vidyashankar Krishnan
Chairman of this Meeting -
Vice Chairman and Managing Director

V.Vaidyanathan
Director

G.Ramesh Kumar
Partner
Membership no. 200 / 18663

A. Gopalakrishnan
Director

Kavitha Vijay
Director

Place : Chennai
Date : 09-05-2016

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 and Solar at Bommakkotai/ Kalayar Karisalkulam Village, Aruppukottai - 626105 Virudhunagar 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 recognitionSale of goods

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



Note 2 Significant accounting policies (contd.)

Capital work-in-progress:

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

2.10 Foreign currency transactions and translations

Initial recognition

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

Measurement of foreign currency monetary items at the Balance Sheet date

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

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. The amount capitalised in the current year is at ₹ 7,09,95,634 (Last Year ₹ 3,05,83,456).

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.

2.13 Borrowing costs

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

2.14 Segment reporting

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

**Note 2 Significant accounting policies (contd.)****2.15 Earnings per share**

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

2.16 Taxes on income

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

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

2.17 Research and development expenses

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

2.18 Impairment of assets

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

2.19 Provisions and contingencies

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

2.20 Insurance claims

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

2.21 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 2016		As at 31 March 2015	
		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, 2016				
- Number of shares	12,070,400	-	-	12,070,400
- Amount ₹ in lakhs 1,207.04	-	-	-	-
Year ended 31 March, 2015				
- 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 2016		As at 31 March 2015	
	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 2016	As at 31 March 2015
Equity shares with voting rights	12,070,400	12,070,400
Fully paid up by way of bonus shares	-	-

(4) Details of shares pledged : NIL

**Note 4 Reserves and surplus**

₹ in Lakhs

Particulars	₹ in Lakhs	
	As at 31 March 2016	As at 31 March 2015
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	22,098.37	17,598.37
Add: Transferred from surplus in Statement of Profit and Loss	4,100.00	4,500.00
Less: Utilised / transferred during the year for:		
Loss on Subsidiary Merger		
Closing balance	26,198.37	22,098.37
4.4 Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	177.08	463.97
Add: Profit for the year	5,008.83	5,054.82
Less: Interim dividend		
Less: Interim dividend / Dividend Tax	841.71	420.86
Dividends proposed to be distributed to equity shareholders Rs. 30 per share)		362.11
Tax on dividend		58.74
Transferred to: General Reserve	4,100.00	4,500.00
Closing balance	244.20	177.08
Total	26,752.17	22,585.05

Note 5 Long-term borrowings

Term Loans From Banks		
Secured	9,849.57	8,294.77
Unsecured	-	-
Total	9,849.57	8,294.77

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 2016		As at 31 March 2015	
	Secured	Unsecured	Secured	Unsecured
<u>Term loans from banks:</u>				
Citi Bank	3,971.76		1,879.26	
DBS	2,841.00		3,610.41	
SBT	1,355.15		-	
SBI	3,971.81		4,363.58	
Total	12,139.72	-	9,853.25	-

5.2 Terms of Security / Repayment

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



Particulars	₹ in Lakhs		₹ in Lakhs	
	As at 31 March 2016 Secured	Unsecured	As at 31 March 2015 Secured	Unsecured
5.3 Rate of Interest				
Citi Bank	2.15%		2.15%	
DBS	4.87%		4.87%	
SBT	2.63%		-	
SBI	3.02%		3.02%	
5.4 Instalments Payable				
2016 - 2017	Citi Bank	DBS	SBT	SBI
2017 - 2018	567.42	993.00	67.76	661.97
2018 - 2019	1,134.84	993.00	271.04	661.97
2019 - 2020	1,134.84	855.00	271.04	661.97
2020 - 2021	1,134.66	-	271.04	661.97
2021 - 2022	-	-	271.04	661.97
Total	3,971.76	2,841.00	1,355.15	3,971.81

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

	As at 31 March 2016	₹ in Lakhs As at 31 March 2015
6.1 Trade Payables	-	9.36
6.2 Others		
Payables on Purchase of Fixed Assets	-	35.03
Advance from Customers	38.41	19.93
Total	38.41	64.32

Note 7 Short-term borrowings

7.1 Loans repayable on demand from Banks		
Secured	9,213.43	9,178.08
Unsecured	-	-
Total	9,213.43	9,178.08

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

	Nature of Security	As at 31 March 2016	As at 31 March 2015
Loans repayable on demand from Banks	Hypothecation of Inventory/	9,213.43	9,178.08
Total - from banks	Book Debts	9,213.43	9,178.08
No Default in the Servicing of the facility availed.	Rate of Interest 6.96%		

Note 8 Trade payables

Trade Payables - Other than Acceptances	2,994.78	2,750.31
Total	2,994.78	2,750.31

Note 9 Other current liabilities

9.1 Current maturities of long-term debt - Secured	2,290.15	1,558.48
9.2 Unpaid dividends	47.86	32.08
Total	2,338.01	1,590.56

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

Note 10 Short Term Provisions

10.1 Provision for tax (net of advance tax)	-	-
(As At 31 March 2016 ₹ 1,77,500,000)		
(As at 31 March, 2015 ₹ 1,65,000,000)		
10.2 Provision for proposed equity dividend	-	362.12
10.3 Provision for tax on proposed dividend	-	58.74
Total	-	420.86



Notes forming part of the financial statements

Note 11 Fixed Assets

11.1 Tangible Assets	Gross block						
	Balance as at 1 April, 2015	Additions	Disposals	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31 March, 2016
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
11.1.1 Land	2921.10	551.90					3473.00
11.1.2 Buildings	4234.27	210.99					4445.26
11.1.3 Plant and Equipment	41074.75	5639.00		709.86	37.79		47461.40
11.1.4 Furniture and Fixtures	128.71	11.16					139.87
11.1.5 Vehicles	451.61	53.83	28.56				476.88
11.1.6 Office equipment	1082.59	78.74					1161.33
Total	49893.03	6545.62	28.56	709.86	37.79	0.00	57157.74
Previous year	43799.49	5829.23	21.62	285.93	0.00	0.00	49893.03

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, 2015	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Other adjustment	Balance as at 31 March, 2016	Balance as at 31 March, 2016	Balance as at 31 March, 2015
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
11.2.1 Land	0.00				0.00	3473.00	2921.10
11.2.2 Buildings	1127.72	142.76			1270.48	3174.78	3106.55
11.2.3 Plant and Equipment	25069.17	3193.83			28263.00	19198.40	16005.58
11.2.4 Furniture and Fixtures	110.35	18.95			129.30	10.57	18.36
11.2.5 Vehicles	198.57	77.32	14.09		261.80	215.08	253.04
11.2.6 Office equipment	843.06	148.40			991.46	169.87	239.53
Total	27348.87	3581.26	14.09	0.00	30916.04	26241.70	22544.16
Previous year	23831.94	3537.58	20.65	0.00	27348.87		

11.3 Depreciation and amortisation relating to continuing operations:

Particulars	For the year ended	For the year ended
	31 March, 2016	31 March, 2015
	₹ in Lakhs	₹ in Lakhs
Depreciation and amortisation for the year on tangible assets as per Note 12 A	3,581.26	3,537.58
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	3,581.26	3,537.58

Note 12 Non-current investments

Particulars	As at 31 March, 2016			As at 31 March, 2015		
	Quoted # ₹ in Lakhs	Unquoted # ₹ in Lakhs	Total ₹ in Lakhs	Quoted ₹ in Lakhs	Unquoted ₹ in Lakhs	Total ₹ in Lakhs
Investments (At cost):						
12.1 Trade	NIL	NIL	NIL	NIL	NIL	NIL
12.2 Other investments						
12.2.1 Investment in equity instruments - Fully Paid	14.10	3.00	17.10	11.02	3.00	14.02
Total - Other investments (12.2)	14.10	3.00	17.10	11.02	3.00	14.02
Less: Provision for diminution in value of investments			-			-
Total			17.10			14.02
Aggregate amount of quoted investments			14.10			11.02
Aggregate market value of listed and quoted investments			25.00			24.48



₹ in Lakhs

Particulars	₹ in Lakhs	
	As at 31 March 2016	As at 31 March 2015
Note 13 Long-term loans and advances		
13.1 Security deposits		
Secured, considered good		
Unsecured, considered good	366.99	126.90
Doubtful	-	-
	366.99	126.90
Less: Provision for doubtful deposits	-	-
	366.99	126.90
13.2 Advance Income Tax	75.76	78.86
13.3 Mat Credit Available	0.00	0.00
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	0.00	1,159.68
	116.38	1,276.06
Total	559.13	1,481.82

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	148.90	103.99
14.1.2 Work-in-progress - Steel Forgings	74.45	29.52
14.1.3 Stores & Spares	-	-
14.1.4 Consumable Tools	-	-
Total	223.35	133.51
14.2 Other Assets		
14.2.1 Sundry Debtors	17.13	17.13
14.2.2 Advance to Suppliers	76.82	204.39
14.2.3 Insurance claims	6.83	23.17
Total	324.13	378.20

Note 15 Inventories

(At lower of cost and net realisable value)

15.1 Raw materials	1,490.22	1,083.33
15.2 Work-in-progress - Steel Forgings	4,701.54	5,703.47
15.3 Stores and spares	721.62	691.07
15.4 Consumable Tools	417.58	388.01
Total	7,330.96	7,865.88

₹ in Lakhs



Particulars	As at 31 March 2016	As at 31 March 2015
Note 16 Trade receivables		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment #		
Secured, considered good	-	-
Unsecured, considered good	1,497.61	2,912.53
Doubtful	-	-
	1,497.61	2,912.53
Less: Provision for doubtful trade receivables	-	-
Total	1,497.61	2,912.53
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	4.14	6.47
17.2 Cheques, drafts on hand	-	-
17.3 Investments in Liquid funds	-	-
17.4 Balances with banks	12,024.08	8,133.60
17.4.1 In current accounts	32.51	37.45
17.4.2 In deposit accounts (Refer Note below)	19.00	725.72
Total	12,079.73	8,903.24
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 - Cash Flow Statement is ₹ 12060.73 Lakhs. (As at 31st March 2015 ₹ 8800.30 Lakhs)		
Note: Balances with banks include deposits amounting to ₹ 19.00 Lakhs as at 31st March 2016 which have an original maturity of more than 12 months. (As at 31st March 2015- ₹ 102.94 Lakhs)		
Note 18 Short-term loans and advances		
18.1 Loans and advances to employees		
Secured, considered good		
Unsecured, considered good	170.53	188.56
Doubtful	-	-
	170.53	188.56
Less: Provision for doubtful loans and advances	-	-
	170.53	188.56
18.2 Prepaid expenses - Unsecured, considered good	95.74	99.54
18.3 Balances with government authorities - Unsecured, considered good		
18.3.1 CENVAT credit receivable	2,080.20	1,206.46
18.3.2 VAT credit receivable	420.88	500.00
18.4 Others -ICD		
Secured, considered good		
Unsecured, considered good	-16.92	109.65
Doubtful	-	-
	-16.92	109.65
Less: Provision for other doubtful loans and advances	-	-
	-16.92	109.65
Total	2,750.43	2,104.21

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 2016	As at 31 March 2015
Note 19 Other current assets		
19.1 Others		
19.1.1 Insurance claims	3.97	9.14
Total	3.97	9.14
Note 20 Revenue from operations		
20.1 Sale of products	48,905.80	48,950.32
20.2 Other operating revenues	1,320.07	1,303.08
Total	50,225.87	50,253.40
20.1.1 Sale of products comprises		
<u>Manufactured goods</u>		
Steel Forgings	48,905.80	48,950.32
Total - Sale of products	48,905.80	48,950.32
20.2.1 Other operating revenues		
Power Generated	1,320.07	1,303.08
Total - Other operating revenues	1,320.07	1,303.08
Note 21 Other income		
21.1 Interest income from Bank Deposits	22.05	17.83
21.2 Dividend income: from long-term investments	517.52	221.32
21.3 Miscellaneous Income	1.12	0.71
Total	540.69	239.86
Note 22 Cost of materials consumed		
Opening stock	1,187.32	1,964.86
Add: Purchases	20,414.04	20,406.75
	21,601.36	22,371.61
Less: Closing stock	1,639.12	1,187.32
Cost of material consumed	19,962.24	21,184.29
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	4,775.99	5,732.99
<u>Inventories at the beginning of the year:</u>		
Work-in-progress Forgings	5,732.99	5,249.79
Net (increase) / decrease	957.00	-483.20
Note 24 Employee benefits expense		
24.1 Salaries and wages	3,943.50	3,591.59
24.2 Managerial Remuneration	757.07	742.04
24.2 Contributions to provident and other funds	280.77	260.29
24.3 Staff Gratuity	3.69	21.65
24.4 Staff welfare expenses	520.71	485.41
Total	5,505.74	5,100.98
Note 25 Finance costs		
Interest expense on: Borrowings	832.27	914.09
Total	832.27	914.09



₹ in Lakhs

Particulars	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
Note 26 Other expenses				
26.1 Consumption of Stores			1,160.85	1,194.36
26.2 Consumption of Tools			869.88	975.09
26.3 Outside Labour			630.69	535.92
26.4 Power and fuel			4,742.65	4,909.04
26.5 Repairs and Maintenance				
26.5.1 Buildings	86.48	118.99		
26.5.2 Machinery	666.86	654.99		
26.5.3 Machinery Spares	942.82	919.53	1,696.16	1,693.51
26.6 Selling Expenses			563.13	575.28
26.6 Export Expenses				
26.7.1 Packing & Forwarding	629.57	633.91		
26.7.2 Freight	599.67	809.33		
26.7.3 Commission	415.09	350.14		
26.7.4 Warehousing Charges	505.82	454.71		
26.7.5 Others	121.40	152.52	2,271.55	2,400.61
26.8 Loss on fixed assets sold / scrapped / written off			-	0.40
26.9 Miscellaneous expenses			1,064.23	1,090.29
Total			12,999.14	13,374.50
Miscellaneous expenses includes payment to auditors comprising of :				
As auditors - statutory audit			17.00	9.77
For taxation matters			1.00	1.00
Reimbursement of Expenses / Service Tax			-	3.70
Total			18.00	14.47

Note 27 Additional information to the financial statements

₹ in Lakhs

Particulars	As at 31 March 2016	As at 31 March 2015
27.1 Contingent liabilities and commitments (to the extent not provided for)		
27.1.1 Contrinemet Liabilities - Foreign Bills Discounted with Bank	1,251.21	1,560.48

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

NIL

NIL

**Note 29 Disclosure as per SEBI (LODR)**

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

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

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



Particulars	As at 31 March 2016	As at 31 March 2015
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 2016	For the year ended 31 March 2015
29.4 Value of imports calculated on CIF basis		
Raw materials	-	33.20
Consumable Stores / Tools	66.80	62.77
Machinery Spares	20.47	17.47
Capital goods	3,242.45	1,537.09
29.5 Expenditure in foreign currency		
Travelling	104.66	145.21
Export Expenses	816.33	972.59
Staff Training	3.35	1.87
Repayment of Term Loan in Foreign Currency	1646.63	1398.11
29.6 Details of consumption of imported and indigenous items		
	31st Mar 2016	31st Mar 2015
<u>Imported</u>	₹ in Lakhs	% ₹ in Lakhs %
Raw materials	-	0.00% 33.20 0.16%
Consumable Stores / Tools	66.80	4.53% 62.77 2.89%
Machinery Spares	20.47	2.93% 17.47 1.90%
	87.27	113.44
<u>Indigenous</u>		
Raw materials	19,962.24	100.00% 21,151.09 99.84%
Consumable Stores / Tools	1,963.93	96.71% 2,106.68 97.11%
Machinery Spares	922.35	93.83% 902.06 98.10%
	22,848.52	24,159.83
29.7 Earnings in foreign exchange		
Export of goods calculated on CIF basis	32,484.21	33,341.32

Note 30 Disclosures under Accounting Standards (contd.)

Particulars	As at 31 March 2016	As at 31 March 2015
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	37.79	-
- 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	1,372.30	1,228.86
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**Cash Flow Statement for the year ended 31st March 2016** (₹ in lakhs)

	For the year ended 31 March 2016	For the year ended 31 March 2015
A Cash Flow From Operating Activities		
Net Profit / (Loss) before extraordinary items and tax	6,929.46	6,866.44
<i>Adjustments for:</i>		
Depreciation and amortisation	3,581.26	3,537.58
(Profit) / Loss on sale / write off of assets	(0.55)	(1.02)
Finance costs	832.27	914.09
Interest income	(22.05)	(17.83)
Dividend income	(517.52)	(221.32)
	3,873.41	4,211.50
Operating Profit / (Loss) before working capital changes	10,802.87	11,077.94
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	534.92	(238.04)
Trade receivables	1,414.92	(17.55)
Short-term loans and advances	(646.22)	(88.25)
Long-term loans and advances	922.69	116.34
Other current assets	5.17	(4.62)
Other non-current assets	54.07	62.16
<i>Adjustments for increase/(decrease) in operating liabilities</i>		
Trade payables	244.47	1,195.12
Other current liabilities	747.45	184.56
Other long-term liabilities	(25.91)	-
	3,251.56	1,209.72
Cash generated from operations	14,054.43	12,287.66
Net income tax (paid) / refunds	1,777.15	1,726.92
Net cash flow from / (used in) operating activities (A)	12,277.28	10,560.74
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(9,147.62)	(6,556.26)
Proceeds from sale of fixed assets	15.02	1.99
Long Term Investments	(3.08)	0.00
Interest received	22.05	17.83
Dividend received	517.52	221.32
Net cash flow from / (used in) investing activities (B)	(8,596.11)	(6,315.12)
C. Cash flow from financing activities		
Proceeds from long-term borrowings(Net)	1,554.80	4,817.00
Repayment of long-term borrowings(Net)		
Net increase / (decrease) in working capital borrowings	35.35	(1,073.70)
Repayment of other short-term borrowings		
Finance cost	(832.27)	(914.09)
Interim Dividend / Tax on Dividend	(841.71)	(420.86)
Dividends paid	(362.11)	(241.41)
Tax on dividend	(58.74)	(39.16)
Net cash flow from / (used in) financing activities (C)	(504.68)	2,127.78
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	3,176.49	6,373.40
Cash and cash equivalents at the beginning of the year	8,903.24	2,529.84
Cash and cash equivalents at the end of the year	12,079.73	8,903.24
	3,176.49	6,373.40

In terms of our Report of even date

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

Vidyashankar Krishnan
Chairman of this Meeting -
Vice Chairman and Managing Director

V.Vaidyanathan
Director

G.Ramesh Kumar
Partner
Membership no. 200 / 18663

A. Gopalakrishnan
Director

Kavitha Vijay
Director

Place : Chennai
Date : 09-05-2016

J.Sumathi
Company Secretary

R.Venkatakrishnan
Chief Financial Officer

**M M FORGINGS LIMITED****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 Music Academy, (Mini Hall) Old No. 306 New No. 168, T.T.K. Road, Royapettah, Chennai- 600 014 on Tuesday, 06 September 2016 at 12.00 Noon 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 2016		
2	Ordinary Resolution: For the vacancy caused by retirement by rotation of Shri Vidyashankar Krishnan		
3	Ordinary Resolution: For Reappointment of Statutory Auditors M/S Ramesh Kumar & Co. and fixing his remuneration		

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

Signed this

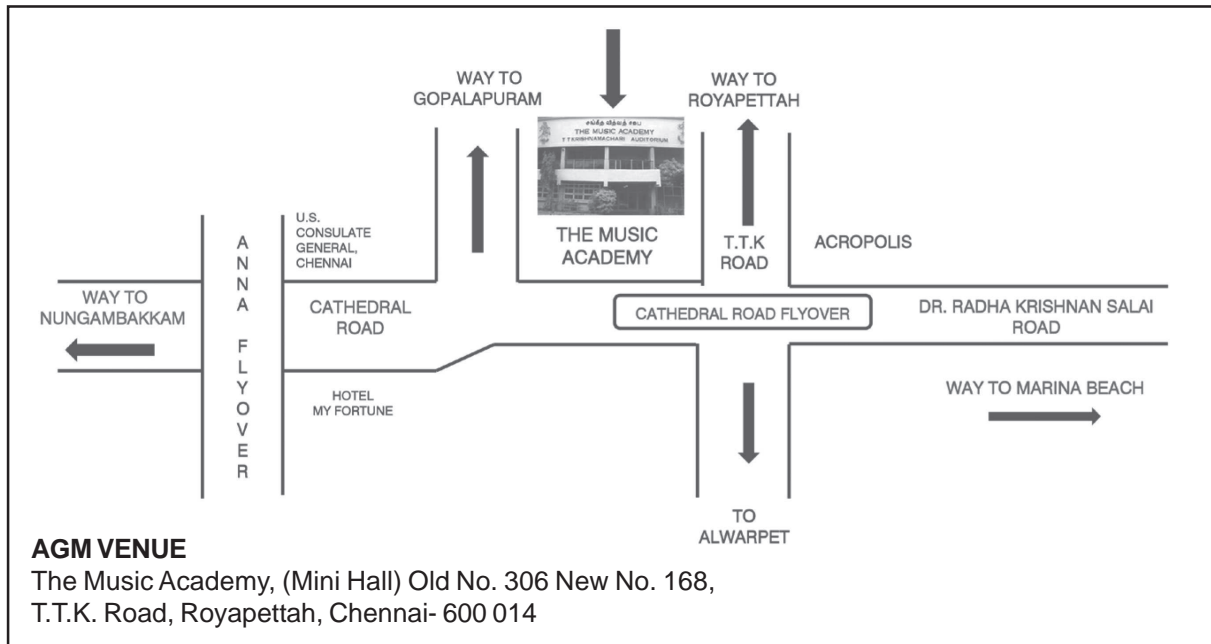
Signature of shareholder

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 70th Annual General Meeting of M M Forgings Limited at The Music Academy, (Mini Hall)
 Old No. 306 New No. 168, T.T.K. Road, Royapettah, Chennai- 600 014 on Tuesday, 06 September 2016 at 12.00 Noon

 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*
IS 160803002	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
Saturday 03 September 2016 at 10.00 a.m.	Monday 05 September 2016 at 5.00 p.m.



Quality Forgings