



**M M FORGINGS LIMITED**

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

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

**and**

**Accounts for the year ended 31.03.2022**



**M M FORGINGS LIMITED  
(CIN L51102TN1946PLC001473)**

**Registered Office: SVK Towers, 8th Floor, A25, Industrial Estate, Guindy, Chennai – 600 032  
Email: corporate@mmforgings.com ; Web: www.mmforgings.com  
Phone: 044-7160 1000, Fax: 044-7160 1010**

**Notice is hereby given that the Seventy Sixth Annual General Meeting of M M Forgings Limited will be held on Monday, 04 July 2022 at 3 p.m., through video conference [VC] / other audio visual means [OAVM]. The company will conduct the meeting from registered office i.e. ‘SVK Towers’, A25, Industrial Estate, Guindy, Chennai - 600 032 , which will be deemed to be the venue of the meeting to transact the following businesses.**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - a. the audited standalone financial statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon; and
  - b. the audited consolidated financial statements of the Company for the financial year ended March 31, 2022, together with the Report of the Auditors thereon.
2. To appoint a director in place of Shri. K. Venkatramanan, (holding DIN No.00823317) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/S. Ramesh Kumar & Co., Chartered Accountants, (FRN 003010S) as Statutory Auditor of the Company and authorise Board to fix their remuneration.

**“RESOLVED THAT** pursuant to provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, M/s. RAMESH KUMAR & CO, Chartered Accountants, (FRN 003010S) be and is hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of Eighty First Annual General Meeting of the Company, at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.

**EXPLANATORY STATEMENT**

As per Section 139 of the Companies Act 2013, the appointment of the Statutory Auditors, GRNK & Co. expires from the date of the ensuing Annual General Meeting. The Board of Directors places on record the valuable services rendered by M/s. GRNK & Co during their tenure as Statutory Auditors. The Statutory Auditor, M/S Ramesh Kumar & Co. has been recommended by the Audit Committee and by the Board of Directors, for the shareholders approval. The Proposed Statutory Auditors will be Ramesh Kumar & Co. (FRN 003010S).



Brief profile of M/s . Ramesh Kumar & Co.:

Partners: G.Ramesh Kumar FCA and S.Sridhar FCA

1. Statutory / Internal Audit of more than 50 Limited Companies, MSME, Trust, including Trust running Educational Institutions, branches of public sector banks.
2. Services for acquisition, mergers/ demergers.
3. Preparation of Project Feasibility Reports for Term Loan from All India Financial Institutions – IDBI/ IFCI/TFCI/ State Financial Institutions/ banks. Income Tax representations and Appeal of more than 600 families.

#### **SPECIAL BUSINESS:**

#### **4. CHANGE IN OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY**

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

**“RESOLVED THAT** pursuant to the provisions of Section 13 and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed there under, consent of the Board of Directors of the Company be and is hereby accorded, subject to the approval of the Registrar of Companies or any Government Authority in this behalf and subject to the approval of Shareholders in Annual General Meeting, to append following clause of clause III (1) (f) of the Memorandum of Association of Company:

Clause III (1) (f) :

To carry on the Business of embedded systems, electronic devices, computer software & hardware designing, developing, processing, promoting, consulting, hiring, marketing, importing, exporting, trading and dealing in all types of computer software and hardware relating to operating systems, management information systems, IT Enabled Services, cloud and cloud-based services, Multimedia, CAE (Computer-Aided Engineering), CAD (Computer-Aided Design), CAM (Computer-Aided Manufacturing), animation, Intranet Electronic Commerce Based Business, other activities related to e-Commerce including knowledge management and project management, data management, Enterprise Resource Development / Enterprise Resource Planning Development Tools and Services, data warehousing, peer to peer computing and workflow design and Management and to provide customer support, in order to meet business to business (B2B) and Business to customer (B2C) requirements and to provide networking solution and services, development of engineering software and engineering test services and all business through internet.

**FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution, Shri. Vidyashankar Krishnan, Vice Chairman & Managing Director and Smt. J. Sumathi, Company Secretary be and are hereby severally authorised, on behalf of the Company, to do all acts, deeds, matters and things as



deemed necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form as return of appointment with the Registrar of Companies, Tamil Nadu.”

## **5. CHANGE IN OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY**

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

“**RESOLVED THAT** pursuant to the provisions of Section 13 and other applicable Provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed there under, consent of the Board of Directors of the Company be and is hereby accorded, subject to the approval of the Registrar of Companies or any Government Authority in this behalf and subject to the approval of Shareholders in Annual General Meeting, to append following clause of clause III (1) (g) of the Memorandum of Association of the Company:

Clause III (1) (g) :

To carry on the business of automation products, and systems, including industrial automation products, home automation products, robotic products, industrial robotics systems, domestic robotics systems, cleaning robotics systems, humanoid Robotics, and product designs to manufacture, sell, export, import and deal in industrial automation, home automation products and robotic products and installations of such product designs.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, Shri. Vidyashankar Krishnan, Vice Chairman & Managing Director and Smt. J. Sumathi, Company Secretary be and are hereby severally authorised, on behalf of the Company, to do all acts, deeds, matters and things as deemed necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form as return of appointment with the Registrar of Companies, Tamil Nadu.”

## **6. RATIFICATION OF REMUNERATION PAID TO THE COST AUDITOR**

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

“**RESOLVED THAT**, subject to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules 2014 (including any amendment therein) the reappointment of Shri. S. Hariharan, (CP No. 20864) Cost Accountant, Tiruchirappalli, as Cost Auditor to audit the cost records maintained by the Company for the Financial Year 2022-23 on a remuneration of ₹60,000 plus out of pocket expenses of ₹15,000, totalling ₹75,000 and future remuneration as may be decided by the Board be and is hereby ratified.”



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

**BY ORDER OF THE BOARD**  
For **MM FORGINGS LIMITED**

Place : Chennai  
Date : 25 May 2022

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

### **IMPORTANT NOTES:**

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

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the General Circular No. 2/2022, dated 05th May, 2022 issued by the Ministry of Corporate Affairs (MCA) and SEBI Circular dated 13 May 2022. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and 05 May 2022 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.



5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.mmforgings.com](http://www.mmforgings.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

7. In continuation of SEBI Circular dated 13 May 2022 and Ministry's General Circular No. 2/2022, dated 05th May, 2022, it has been decided to allow companies whose AGMs were due to be held in the year 2022, or become due in the year 2022, to conduct their AGMs, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2020 dated 05 May 2020.

**8. 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.**

9. 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.

10. Under Section 124 of the Companies Act, 2013 and the Rules therein, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred ₹2,13,839 on 29 June 2021 and ₹4,00,171 transferred on 08 Dec 2021 pertaining to the interim dividends for the year 2014-15 to the Investor Education and Protection Fund of the Central Government. Those shareholders who have not claimed, can claim from the Government. The Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2014 to 2021, as on the date of the 75<sup>th</sup> Annual General Meeting (AGM) held on 13 September 2021 on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and on the Website of the Company, [www.mmforgings.com](http://www.mmforgings.com). Members who have not encashed their dividend, are advised to write to the Company to claim their dividend.

11. Shares transferred under IEPF account of the government (taken on the basis of 2015 dividend unclaimed):

Shareholders, those who have not encashed the Dividend for Seven consecutive years, their shares were transferred to IEPF account. The details are available in the Company's website:

[https://www.mmforgings.com/uploads/IEPF/Transfer\\_of\\_shares\\_to\\_IEPF.pdf](https://www.mmforgings.com/uploads/IEPF/Transfer_of_shares_to_IEPF.pdf)



1. 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.
2. 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.
3. With effect from 01 April 2019, transfer of securities would be carried out only in dematerialized form, except in case of transmission or transposition of securities. Hence, the Company will not entertain any requests of transfer of equity shares, if they are in physical form
4. Details under SEBI (LODR), in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, form integral part of the notice.
5. Electronic copy of the Annual Report for 2021-22 will be sent to all members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses with the Company can get the same registered by a request letter by sending an email to [murali@cameoindia.com](mailto:murali@cameoindia.com) or [corporate@mmforgings.com](mailto:corporate@mmforgings.com). Please send a signed scanned copy of the letter to the above mentioned email. Upon verification of the signature, the email will be registered with the Company.
6. Shareholders seeking any information with regard to accounts are request to send their queries through mail, at least 5 days before the meeting so as to enable the Company to keep the information ready.
7. Profile of Director

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

1. Name : Shri. K.Venkatramanan (DIN 00823317)
2. Date of Birth; 05 July 1969
3. Date of appointment: 21 April 1997.
4. Qualifications; BE.
5. A brief resume and nature of expertise :

Shri. K. Venkatramanan has a Bachelor of Engineering degree. He has 30 years of experience. He joined the Board as an Additional Director of the Company on 21st April 1997. With effect from February 24, 1999 he became the Joint Managing Director in this Company. The present reappointment with effect from, 01 September 2018 as Joint Managing Director was made at the AGM held on 11 July 2018. He has been responsible for the tremendous growth in the



sales and profits of the Company. His accomplishments include a 20-fold increase in export sales.

6. No. of shares held in the Company: 25,84,960.

7. List of directorships held in other Companies: Please refer Note No. 29 of Notes on Accounts.

8. No. of Board Meetings attended during FY22: Six out of Six.

9. Chairman/ Member in the Committees of the Boards of other companies in which he is Director : Not applicable.

10. Disclosure of Relationship between Directors, Managers and KMP of the Company: K. Venkatramanan, Joint Managing Director and Shri. Vidyashankar Krishnan, Vice Chairman and Managing Director are brothers.

11. Remuneration details : ₹ 6,95,21,678/-

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

(i) The voting period begins on **Friday, 01 July 2022 at 9.00 P.M.** and closes on **Sunday, 03 July 2022 at 5.00 P.M.**

During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **Monday, 27 June 2022** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

(iii) Shareholders who have already voted prior to the meeting date will not be entitled to vote at the meeting venue.

(iv) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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





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

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

<b>Type of shareholders</b>	<b>Login Method</b>
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest, user will be able to see the e-Voting option for eligible Companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at: <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>



<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<ol style="list-style-type: none"> <li>1) You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility.</li> <li>2) After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>3) Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>



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

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

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

- (i) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on “Shareholders” module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. ShareholdersholdingsharesinPhysicalFormshouldenterFolioNumberregistered with the Company.
  - 4) Next enter the Image Verification (CAPTCHA) as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any Company, then your existing password is to be used.



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

	<b>For Physical shareholders other than individual shareholders holding shares in Demat.</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

vi) After entering these details appropriately, click on “SUBMIT” tab.

vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.



- i) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- ii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- iii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code (CAPTCHA) and click on Forgot Password & enter the details as prompted by the system.

iv) **Additional Facility for Non-Individual Shareholders and Custodians-For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [corporate@mmforgings.com](mailto:corporate@mmforgings.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.



4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number to [corporate@mmforgings.com](mailto:corporate@mmforgings.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number to [corporate@mmforgings.com](mailto:corporate@mmforgings.com). These queries will be replied by the Company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant(DP)
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.



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

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

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

### **Item No. 4**

Board of Directors consider from time to time the proposals for diversification and expansion of the existing business of the Company into areas which would be profitable for the Company. In this regard, the Company is proposing to develop IT software and systems for its own use and for commercial exploitation of the same.

The alteration of the Objects Clause of the Memorandum of Association (“**MOA**”) as set out in the Resolution is to facilitate diversification and business expansion. This will enable the Company to enlarge the area of operations and carry on its business economically and efficiently and the proposed activities can be, under the existing circumstances, be conveniently and advantageously combined with the present activities of the Company.

Accordingly, it is proposed to amend the Main Objects under the Objects Clause of the MOA of the Company by inserting Clause III (1) (f) as stated in the Special Resolution annexed to the Notice. The existing object clauses III (1) (f) to III (1) (q) will be re-numbered as III (1) (h) to III (1) (s) accordingly.

The Board at its meeting held on 25 May 2022 has approved alteration of the MOA of the Company and the Board now seeks the ‘approval of the Members’ for the same. The proposed change of Object Clause requires the approval of shareholders through Special Resolution pursuant to the provisions of Section 13 of the Companies Act, 2013.

A copy of the MoA of the Company together with the proposed alterations is available for inspection by the Members of the Company at its Registered Office during normal business hours on all working days (Except Saturday and Sunday).

The Board recommends the Resolutions as set out in item no. 4 of the Notice for approval of the Members as a Special Resolution.

None of the Directors or the Key Managerial Personnel of the Company or their respective relatives



is concerned or interested, financially or otherwise in the resolution as set out at the accompanying Notice except to the extent of their shareholding.

#### **Item No. 5**

Considering the business expansion strategies, your Company is considering the manufacture of automation and robotic products for self-use and sale to third parties. Accordingly, the Company will carry out the business of development, manufacture and sale of automation products and systems, including industrial automation products/systems and home robotic products. It is important that the Company continues to expand its product offering for growth, enabling predictability and enhanced earnings.

To commence the proposed new business activities, the Object Clause [Clause III (1)] of the Memorandum of Association of the Company needs to be altered by inserting clause III (1) (g) as stated in the Special Resolution annexed to the Notice. The existing object clauses III (1) (f) to III (1) (q) will be re-numbered as III (1) (h) to III (1) (s) accordingly.

The Board of Directors of the Company at their meeting held on 25 May 2022 has approved the above alterations/modifications in the Objects Clause of the Memorandum of Association of the Company and recommended the same to the members of the Company for approval.

A copy of the MoA of the Company together with the proposed alterations is available for inspection by the Members of the Company at its Registered Office during normal business hours on all working days (Except Saturday and Sunday).

The Board recommends the Resolutions as set out in item no. 5 of the Notice for approval of the Members as a Special Resolution.

None of the Directors or the Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise in the resolution as set out at the accompanying Notice except to the extent of their shareholding.

#### **Item No. 6**

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 25 May 2022, ought to be ratified by the shareholders subsequently.

Accordingly, consent of the members is sought for passing the resolution as set out in the Notice for ratification for the financial year ending 31 March 2023.

The Board recommends the Resolutions as set out in item no. 6 of the Notice for approval of the Members as an Ordinary Resolution.



None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.6.

The above resolution does not affect any other Company.

**BY ORDER OF THE BOARD**  
For **MM FORGINGS LIMITED**

Place : Chennai  
Date : 25 May 2022

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





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## Board of Directors

### Chairman

Shri. N. Srinivasan

### Vice Chairman and Managing Director

Shri. Vidyashankar Krishnan

### Company Secretary

Smt. J. Sumathi

### Chief Financial Officer

Shri. R. Venkatakrishnan

### Registered Office

‘SVK Towers’  
A25, 8th Floor, Industrial Estate,  
Guindy, Chennai - 600 032  
Phone: 044 -71601000  
Fax No. 044- 71601010  
E-mail: mmforge@mmforgings.com

### Factories

Plant 1 - Singampunari – 630 502, TN  
Plant 2 - Viralimalai – 621 316, TN  
Plant 4 - Mathur Post – 602 105, TN  
Plant 7 - Industrial Automation Division - 600 058, TN  
Plant 8 - Rudrapur - 263 153, Uttarkand  
(DVS Industries Pvt. Ltd., Subsidiary Company)  
Plant 9 - A4 Industrial Area, Kursi Road, Barabanki,  
District, UP 225001  
Plant 10 - Ranipet - 632 403, TN  
(Cafoma Autoparts Pvt. Ltd., Subsidiary Company)

### Plant 5 - Windfarms

W1 - Panakudi - 627 109, TN  
W2 - Theni District - 625 531, TN  
W3 - Tenkasi - 627 811, TN  
W4 - Kallapalayam - 641 201, TN

### Plant 6 - Solar sites

S1 - Aruppukottai - 626105, TN  
S2 - Viralimalai - 621 316, TN

### Bankers

#### State Bank of India

2 Harrington Road, Chennai – 600031

#### DBS Bank

806 Anna Salai, Chennai - 600002

#### HDFC Bank Ltd

115 Dr. Radhakrishna Salai,  
Mylapore, Chennai – 600 004

#### Federal Bank

61 Anna Salai, Chennai - 600002

#### ICICI Bank

1 Cenotaph Road, Chennai – 600018

#### Standard Chartered Bank

19 Rajaji Salai, Chennai - 600001

### Directors

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

### Jt. Managing Director

Shri. K. Venkatramanan

### Statutory Auditors

Shri. G. R. Naresh Kumar  
Membership No. 215577

### GRNK & Co.

26/5, Akila Lands, Ganapathy Colony (South)  
Thiruvanaikoil Post, Tiruchirapalli – 620 005  
Phone No. 0431 4012931  
Firm Registration No.: 016847S

### Internal Auditor

Shri. Balaji Gopal

### Cost Auditor

Shri. S. Hariharan  
Sri Sathagiri 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



## PERFORMANCE HISTORY

DESCRIPTION / YEAR	F 22	F 21	F 20	F 19	F 18	F 17	F 16	F 15	F 14	F 13	F 12	F 11
<b>INCOME</b>												
Sales - Exports	54,053.49	35,488.63	38,236.89	46,355.03	35,559.47	29,314.40	33,743.07	35,059.10	29,112.09	25,396.52	23,905.35	18,294.07
- Domestic	54,744.53	35,658.12	32,853.57	42,381.88	24,531.62	16,728.26	15,162.74	13,891.22	10,961.82	9,627.13	10,476.61	8,295.11
- Total	<b>1,08,798.02</b>	<b>71,146.75</b>	<b>71,090.46</b>	<b>88,736.91</b>	<b>60,091.09</b>	<b>46,042.66</b>	<b>48,905.81</b>	<b>48,950.32</b>	<b>40,073.91</b>	<b>35,023.65</b>	<b>34,381.96</b>	<b>26,589.18</b>
Other Operating Income	1,666.45	1,418.03	1,638.67	1,655.29	1,970.63	1,797.02	1,320.07	1,303.08	1,069.56	1,088.14	641.29	622.89
Other Income	1,857.35	2,159.21	1,851.14	1,586.71	1,229.28	1,126.77	541.24	241.28	315.88	51.29	735.93	985.88
<b>TOTAL INCOME</b>	<b>1,12,321.82</b>	<b>74,723.99</b>	<b>74,580.27</b>	<b>91,978.91</b>	<b>63,291.00</b>	<b>48,966.45</b>	<b>50,767.12</b>	<b>50,494.68</b>	<b>41,459.35</b>	<b>36,163.08</b>	<b>35,759.18</b>	<b>28,197.95</b>
Operating Profit	22,031.20	14,288.64	14,370.27	18,911.64	13,673.40	10,401.98	11,343.00	11,318.14	8,209.96	5,829.22	6,781.57	6,346.99
Profit After Tax	9,175.99	4,660.75	4,623.76	8,135.04	6,850.73	4,342.22	5,008.84	5,054.82	2,931.90	2,444.96	2,675.46	2,971.09
Earnings per share	38.01	19.31	19.15	33.70	56.76	35.97	41.50	41.88	24.29	20.26	22.17	24.61
Dividend	60%	50%	50%	50%	100%	60%	60%	60%	40%	30%	30%	30%
Dividend including tax paid	1,448.45	1,455.09	1,417.93	1,410.40	1,402.86	841.72	841.72	841.72	561.14	420.85	420.85	422.25
Dividend as a % to PAT	15.8%	31.2%	30.7%	17.3%	20.5%	19.4%	16.8%	16.7%	19.1%	17.2%	15.7%	14.2%
Share Capital	2,414.08	2,414.08	2,414.08	2,414.08	1,207.04	1,207.04	1,207.04	1,207.04	1,207.04	1,207.04	1,207.04	1,207.04
Reserves & Surplus	55,349.40	47,622.17	44,416.47	41,210.66	35,700.59	30,252.69	26,752.19	22,585.00	18,371.91	16,001.18	13,977.08	11,722.53
Return on Capital Employed	16.2%	10.7%	11.8%	15.7%	16.9%	17.1%	22.7%	25.8%	22.5%	17.8%	19.3%	20.2%
Return on Net Worth	32.9%	22.8%	25.0%	19.0%	17.1%	14.0%	17.6%	20.5%	14.5%	13.7%	17.7%	22.4%
Working Capital	23,344.23	23,502.49	15,664.26	23,429.06	17,258.64	7,444.49	9,213.43	9,178.08	10,251.78	7,434.43	7,299.61	7,344.89
W C as a % to sales	20.8%	31.5%	21.0%	25.5%	27.3%	15.2%	18.1%	18.2%	24.7%	20.6%	20.4%	26.0%
Current Ratio	1.90	1.79	2.05	1.85	1.74	2.36	2.00	1.92	1.41	1.50	1.54	1.47
TOL / NW	1.41	1.45	1.36	1.76	1.25	0.82	0.87	0.93	0.87	1.05	1.17	1.19
Debt / Equity	0.75	0.76	0.87	1.04	0.57	0.47	0.43	0.41	0.25	0.41	0.53	0.43



## DIRECTOR'S REPORT

### 1. FINANCIAL RESULTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022 ( ₹ IN LAKHS)

	Particulars	2021-22		2020-21	
1.1	Forging sales		1,08,798.03		71,146.74
1.2	Profit before exceptional items/ extraordinary items and Tax		13,289.40		5,493.05
1.3	Exceptional/Extraordinary Items		0.13		0.03
1.4	Profit Before Tax		13,289.53		5,493.08
1.5	Tax				
	For current year	2,599.52		725.00	
	Relating to previous years	84.55		0.00	
	Deferred Tax / MAT Credit	1,429.48	4,113.55	107.36	832.36
	<b>Profit after Tax</b>		<b>9,175.99</b>		<b>4,660.72</b>

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

2.1	Profit after Tax	9,175.99	4,660.72
2.2	Balance in P & L Account	121.17	115.54
2.3	Profit available for appropriation	9,297.16	4,776.28
2.4	Transfer to General Reserve	7,725.00	3,200.00
2.5	Proposed Dividend	1,448.45	1,455.09
2.6	Balance carried forward	123.71	121.17

The Directors declared 60% dividend ( ₹ 6/- per share ) of face value of ₹ 10/- each, in their meeting held on 25<sup>th</sup> May 2022.

The Directors do not recommend any final dividend for the year 2021-22.

### 3. SHARE CAPITAL

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

### 4. HIGHLIGHTS OF THE Company'S OPERATIONAL PERFORMANCE

4.1 The Company has overall Revenue, of above ₹1100 crores.

4.2 The Company's PBT is ₹ 132.89 crores.

4.3 The Company's PAT stands at ₹ 91.76 crores.



- 4.4 The Company continues to be a net foreign exchange earner. The net foreign exchange earnings during the current year were ₹ 476.66 crores.
- 4.5 The Company has retained its ISO 9001 and TS 16949 Certification for its Quality Management.
- 4.6 Export sales is ₹ 541 crores and the domestic sales stands at ₹ 547 crores.
- 4.7 The Company has declared an interim dividend of 60 % dividend for the year.

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

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

## 6. EXPENSES MADE MORE THAN 10 % OF THE TURNOVER

Raw Material - ₹ 522.81 Crores (46.55 %)  
 Personnel - ₹ 112.73 Crores (10.04 %)

## 7. MANAGEMENT DISCUSSION AND ANALYSIS

### Economic Overview - Global

The onset and subsequent drawn out war in eastern Europe has thrown commodity prices high, further dampening prospects of global economic recovery.

War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7% in advanced economies and 8.7% in emerging market and developing economies -1.8% and 2.8% points higher than projected last January. Multilateral efforts to respond to the humanitarian crisis, preventing further economic fragmentation, maintaining global liquidity, managing debt distress, tackling climate change, and an end to the pandemic are essential.

	2021	2022	2023*
World output	6.1	3.6	3.3
Advanced Economies	5.2	3.3	2.4
Emerging Markets	6.8	3.8	4.4
<b>India</b>	<b>8.9</b>	<b>8.2</b>	<b>6.9</b>

\* Projection || Source: World Economic Outlook || IMF

Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than projected in January. Beyond 2023, global growth is forecasted to decline to about 3.3 percent over the medium term.

It has been two years since COVID-19 was declared as a global pandemic with terrible loss of lives and livelihoods. Adaptation to life with pandemic induced restriction has enabled the



global economy to perform reasonably well despite overall subdued mobility, leading to a stronger-than-anticipated rebound, on average, across regions.

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### Economic Overview - India

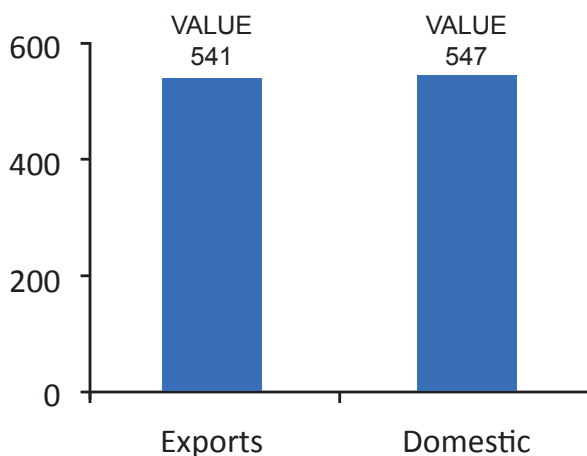
With Covid-19 largely behind, the Indian economy faces strong inherent growth momentum which is likely to be tempered by inflation, the consequent rise in interest rates and the risk of demand dampening.

**Notwithstanding headwinds, globally, the Indian economy is projected to have the strongest growth in GDP in 2022 and also in 2023!**

The phased unlocking of the economy with government intervention eased manufacturing and supply chains. Many sectors of the economy re-bounded in FY22. The third wave of the pandemic which lasted between Dec21 through Feb22 did not dent the momentum. The recovery cycle picked up from the second half of FY22 and is expected to grow further in FY23 and FY24. It may moderate from FY25 onwards. The IMF has upwardly revised the growth forecast to 8.2% for FY22 and 6.9% for FY23. This is the highest GDP growth rate in the world!

India's GDP, which shrank from \$2.87 trillion in FY20 to \$2.66 trillion in the FY21, is expected to rise to about \$5 trillion in FY27 or FY28. The latest forecast hints that the target of \$5 trillion may fructify with a minimum delay of four years.

FY22 saw an unprecedented rally in domestic steel prices which seemed unstoppable even in the current fiscal FY23. Steel prices have increased by almost 30% year on year. Further increases are expected in FY23. There is also anticipation that the government would take structural measures to cool down the steel market in India.



#### Overall Outlook:

Inflation and its consequent hike in interest rates will be crucial. The outlook on exports is stable-to-negative with domestic sales poised for significant growth.



## Market segments outlook: Key segment analysis: Commercial Vehicles (CV)

The CV segment plays a significant role of MMF with sales of 82%. Passenger car segment constitutes 11% and others 7%.

CV segment is poised to witness a robust turnaround domestically. It is also expected to do well in North America and Europe. US class 8 truck sales recorded significant numbers in Apr 2021 (440,000) and in Apr 2022 (390,000).

The European market has witnessed consistent demand through the years in excess of 300,000+ HCV for the last 3 calendar years. However the prospects of continued war in eastern Europe is expected to dampen these economies. Real GDP growth rate is 5.9% for 2021 and 1.6% in 2022 and is expected to be 1.9% in 2023 and 2.2% in 2024.

In India, MHCV production which peaked in FY19 at 444,000 vehicles has tapered to 234,000 vehicles in FY20, 161,000 in FY21 and 241,000 in FY22. In FY23 MHCV production is expected to grow significantly to 400,000 units.

### Currency movement: [USD vs INR]

The INR which is near record lows at ₹ 77.56 per USD is expected to be under continued pressure.







## M M FORGINGS – Achievements in FY22

The following were achieved during FY22, despite the second and third wave of pandemic:

Domestic sales	: ₹ 547 crore
Export sales	: ₹ 541 crore
Total sales	: ₹ 1088 crore
Overall sales around	: ₹ 1123 crore
Production tonnage	: 61,200 Tons

Changes in steel prices which are in line with international markets are generally being passed on to customers as is the industry practice.

We are focusing on launching new products to take advantage of the forging capacities created in the last 4 years. We are also de-bottlenecking to take advantage of the growth in established products

### Key Financial Ratios:

Debtors Turnover	: 118 days
Inventory Turnover	: 5.46
Interest Coverage Ratio	: 7.39
Current Ratio	: 1.90
Debt Equity Ratio	: 0.75
Operating Profit Margin (%)	: 11.76 %
Net Profit Margin (%)	: 8.17 %

As highlighted in the Directors' Report, Return on Net Worth (on PAT) is 17.31% and Return on Capital Employed is 16.21%. Total Outside Liabilities to Net Worth stands at 1.41.

### Human Resources and Industrial Relations

1. Our Company continues to focus on the development of its human resources to improve its performance. As on 31st Mar 2022, the Company currently has approximately 3703 employees. It is their invaluable contribution that has primarily resulted in our Company's position of strength in the industry.

2. Focus on a safe working atmosphere, constantly evolving systems for recognition and reward, consistent communication and imparting skills and training – all these focused on meeting customer needs, characterize the HR development of Human Resources of the Company.

Every year, each plant of the Company celebrates Founder's Day in a family atmosphere with all employees and their households. This practice has been hampered on account of COVID-19. We expect to restart this in the coming months.

### 3. Health, Safety and Environment

The Company follows a policy of zero tolerance towards accidents. Wherever possible, visible controls and fail-safe systems are provided to ensure prevention of accidents. Regular communication, periodic reviews of practices and training, play a vital role in maintaining safety standards.



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

### **Risk Management**

1. The Company is a leading manufacturer of automotive components. Automotive industry is subjected to cyclical variations in performance and is very sensitive to policy changes. The market is very competitive. Prices of raw materials change based on supply and demand. Margins remain under constant pressure. Any steep reduction in off-take exposes the Company to high fixed costs.
2. A considerable portion of the customers of the Company are situated outside of India. Hence, demand for the Company's product is subject to the health of the global economy.
3. The war in eastern Europe poses significant risk in global geopolitical stability
4. Further, the consequent inflation in commodity prices, hike in interest rates and prospect of significant demand reduction are risks to be considered in the coming months.
5. 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.
6. Risk Management Committee (RMC) has been formed w.e.f 21 Jun 21.
7. RMC shall meet twice a year.
8. The responsibilities of RMC includes formulating risk management policy, implementation of the policy, monitor, evaluate risks, device appropriate methodology, processes and systems.

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

Our goals in the coming months:

1. Focus on improving sales in keeping with market conditions.
2. Utilizing the production capacity of 1,00,000 Tons.
3. Focus on cost reduction continuously - particularly on reducing energy consumption and improving productivity.
4. Enhance IT systems with the continued development of the ERP system in place.
5. Continue the evolution into green sources of energy in the coming months.
6. Reduce the impact on the environment.

### **Sources:**

- IMF World Economic Output
- The Economist
- SIAM data



8. **TRANSFER TO RESERVE**

A sum of ₹ 77.25 Crores has been transferred to General Reserve.

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

The Company has made advance to the tune of ₹ 83.52 Crores to its Subsidiary Company, DVS Industries Private Limited, repayable at prevailing rates. The details of the investments made by the Company are given in the notes to the financial statements.

10. **DIRECTORS**

Smt. Sumita Vidyashankar was appointed in the Board on 13 August 2021 as an Additional Director. Her appointment was regularised in the Annual General Meeting held on 13 September 2021.

11. **RETIRE BY ROTATION**

Shri. K. Venkatramanan (DIN 00823317) will retire by rotation and being eligible has offered himself for re-appointment.

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

13. **BOARD AND COMMITTEE MEETING DATES**

Details are provided in Annexure III of this Report.

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

15. **RISK MANAGEMENT**

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

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

16. **RELATED PARTY TRANSACTION**

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

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

Related Party transactions during the financial year 2021-22 is shown in Annexure III to the Directors' Report, under the head "Disclosures".



There are no 'Material' contracts or arrangement or transactions at arm's length basis.

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

For related party transactions as per Accounting Standards, refer Notes on Accounts.

## 17. CORPORATE SOCIAL RESPONSIBILITY

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

Amount to be spent under CSR for F22	- ₹ 147.26 lakhs
Amount spent in F22	- ₹ 173.94 lakhs
Excess spent for F22	- ₹ 26.68 lakhs

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

## 18. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

In terms of provision of section 178 of the Companies Act, 2013 read with Rules prescribed, a policy for the Directors, KMP and other employees has been adopted by the Board of Directors of the Company, which analyzes the criteria for determining qualifications, positive attributes and independence of a Director.

The said policy is provided in Company's website as below:

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

## 19. PARTICULARS OF EMPLOYEES

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



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

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

Name	Ratio
Shri Srinivasan N	0.00: 1
Shri Vaidyanathan V	1.65: 1
Shri Gopalakrishnan A	1.65: 1
Smt Kavitha Vijay	1.65: 1
Smt Sumita Vidyashankar	1.65: 1
Shri Vidyashankar Krishnan	287: 1
Shri K. Venkatramanan	287: 1

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

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

Name	Increase %
Shri Srinivasan N	125.00%
Shri Vaidyanathan V	4.69%
Shri Gopalakrishnan A	50.00%
Smt Kavitha Vijay	24.82%
Smt Sumita Vidyashankar	100.00%
Shri Vidyashankar Krishnan	132.84%
Shri K. Venkatramanan	133.26%
Smt J. Sumathi	14.24%
Shri R. Venkatakrishnan	11.14%

20.3 Percentage increase in median remuneration of employees is 45.30% in the financial year 2021-22.

20.4 The number of permanent employees on the rolls of Company: 2159.

20.5 Explanation of relationship between average increase in remuneration and Company performance: PAT - (last year) ₹ 4,660.72 Lakhs; PAT - (this year) - ₹ 9,175.99 Lakhs. Increase 98.45% against which, the average increase in remuneration is 45.30%

20.6 Comparison of remuneration of each KMP against performance of Company

Name	Designation	CTC in ₹	% of Increase	PAT ₹ in Lakhs	% in PAT
Vidyashankar Krishnan	CEO	6,95,29,262	132.84	9175.99	98.45
J.Sumathi	Company Secretary	11,32,900	14.24		
R.Venkatakrishnan	CFO	17,14,036	11.14		



## 20.7 Variation in market cap/net worth of Company:

Date	Paid up Capital (Shares)	Closing market Price per share in ₹	EPS	PE Ratio	Market Capitalisation ₹ in Crores
31.03.2021	24140800	495.00	19.31	25.63	1,194.97
31.03.2022	24140800	846.75	38.01	22.28	2,044.12

- 20.8 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 36.90%.  
Average Increase in Remuneration for KMP and Senior Management is 127.10%.
- 20.9 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.
- 20.10 Ratio of remuneration of highest paid Director to other employees who get remuneration more than highest paid Director – NOT APPLICABLE.
- 20.11 Is remuneration as per remuneration policy of the Company: YES.

21 **SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATIONS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND Company'S OPERATIONS IN FUTURE:**

Not applicable.

22 **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE Company WHICH HAS OCCURRED SINCE 31.03.2022 TILL THE DATE OF THE REPORT:**

NIL

23 **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:

- 23.1 In the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- 23.2 The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2022 and of the profit or loss of the Company for that period ended on that date;
- 23.3 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;
- 23.4 The Directors had prepared the annual accounts on a going concern basis.



- 23.5 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.
- 23.6 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.

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

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

## 25 ADEQUACY OF INTERNAL FINANCIAL CONTROL

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

It also ensures the orderly efficient conduct of its business, including adherence to Company's policies, the safe guarding of its assets, the prevention and detention of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information during the year, such controls were tested and no material weakness in the operations were observed.

## 26 CORPORATE GOVERNANCE REPORT

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

## 27 ANNUAL RETURN

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

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

- 28.1 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.
- 28.2 Independent Directors at a meeting without anyone from the non-independent Directors and management, considered/evaluated the Board's performance, performance of the Chairman and other non-independent Directors. Their meeting was held on 17 November 2021.



28.3 The Board subsequently evaluated performance of the Board, the Committees and Independent Directors (without participation of the relevant Director).

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

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

28.4.2 Previous year's observations and actions taken - NIL

28.4.3 Proposed actions based on current year observations - NIL

## 29 **FAMILIARISATION OF PROGRAMME ARRANGED FOR INDEPENDENT DIRECTORS**

- M M Forgings Limited has put in place a system to familiarise independent Directors about the Company, its products, business and the on-going events relating to the Company.
- Independent Directors of the Company are made aware of their role, responsibilities and liabilities at the time of their appointment / re-appointment, through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.
- They are also made aware of Company's Board and Board Committee framework, policies and procedures.
- As part of Board Discussions, presentations on business of the Company are made to the Directors from time to time.
- Important announcements and press releases for various news related to the Company are forwarded to the Directors from time to time.
- Each member of the Board, including the independent Directors, have been given complete access to any information relating to the Company.
- You may also view the Company website: [https://www.mmforgings.com/uploads/Familiarisation\\_programme/Familiarization\\_programme1.pdf](https://www.mmforgings.com/uploads/Familiarisation_programme/Familiarization_programme1.pdf)

## 30 **AUDITORS:**

M/s G R N K & Co., Chartered Accountants (FRN 016847S) will be retiring in the ensuing Annual General Meeting. M/s Ramesh Kumar & Co., Chartered Accountants, will be appointed as Auditors for a period of 5 years from this forthcoming Annual General Meeting.

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





Brief profile of M/s . Ramesh Kumar & Co.:

Partners: G.Ramesh Kumar FCA and S.Sridhar FCA

1. Statutory / Internal Audit of more than 50 Limited Companies, MSME, Trust, including Trust running Educational Institutions, branches of public sector banks.
2. services for acquisition, mergers/ demergers.
3. Preparation of Project Feasibility Reports for Term Loan from All India Financial Institutions – IDBI/ IFCI/TFCI/ State Financial Institutions/ banks. Income Tax representations and Appeal of more than 600 families.

### 31. **SECRETARIAL AUDITOR**

Pursuant to Section 204 of the Companies Act, 2013 and Rules thereunder, the Company has appointed V.Shankar, Practicing Company Secretary (C.P. No. 12974) as the Secretarial Auditor for the financial year 2022-23.

### 32. **COST AUDITOR**

Pursuant to the provisions contained in Rule 14 of the Companies ( Audit and Auditors) Rules, 2014, Shri. S. Hariharan ( CP No. 20864) has been appointed as Cost Auditor for the financial year 2022-23.

### 33. **SUBSIDIARY COMPANIES**

#### 33.1 **DVS INDUSTRIES PRIVATE LIMITED**

DVS Industries achieved a turnover of ₹ 66.01 Crores in FY22 located in Pantnagar, Uttarakhand. DVS Industries is well equipped with precision equipment, in-house tool room inspection facilities, well trained personnel, etc.

#### 33.2 **CAFOMA AUTOPARTS PRIVATE LIMITED**

The Company acquired Cafoma Autoparts Pvt. Ltd. for ₹33 Crores, including subordinated debt of ₹5 Crore on 15<sup>th</sup> October 2021. It is now a wholly owned subsidiary of MM Forgings Ltd. and is engaged in machining. Cafoma achieved a turnover of ₹ 9.12 Crores (in FY22) of crankshafts.

#### 33.3 **SUVARCHAS VIDYUT PRIVATE LIMITED**

SUVARCHAS VIDYUT PRIVATE LIMITED was incorporated as a wholly owned subsidiary of the Company on 31<sup>st</sup> March 2022. There were no activities in this year.

Authorised Share Capital : ₹ 5,00,00,000/- (Rupees Five Crores Only)

Paid-Up Share Capital : ₹ 1,00,00,000 (Rupees One Crore Only)

Turnover : New Company / not yet started operations.

Object : It is a start-up Company to produce electrical and electronic components and subassemblies for industrial, consumer, and automotive applications.

**34 EXPLANATION TO AUDITOR'S REMARK**

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

**35 SAFETY**

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

**36 DEPOSITS:**

The Company does not have any deposits nor accepts any fresh deposits.

**37 ENERGY, TECHNOLOGY & FOREIGN EXCHANGE:**

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

**38 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.

**39 PROHIBITION AND REDRESSAL OF SEXUAL HARRASSMENT OF WOMEN AT WORK PLACE**

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

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

No. of complaints filed during the year – 0

No of complaints disposed of during the year – 0

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

**40 COVID 19**

The Company is following Covid-19 guidelines, rules and regulations issued by Central and State governments. During the second wave (Delta Variant) in May to July of 2021, your company contributed a total of ₹ 132.78 Lakhs towards the Covid effort, largely by building, bolstering and augmenting the availability of oxygen to hospitals - both private and public.



41. **BUSINESS RESPONSIBILITY REPORT**

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

42. **INDEPENDENT DIRECTOR SELF ASSESSMENT TEST**

- Shri. N. Srinivasan and Shri. V. Vaidyanathan are exempted from undergoing self-assessment test.
- Shri A. Gopalakrishnan and Smt. Kavitha Vijay have passed the self-assessment test conducted by the Ministry of Corporate Affairs.

43. **ACKNOWLEDGEMENT:**

Your Directors would like to express their gratitude for the cooperation and continued assistance received from DBS Bank, State Bank of India, HDFC Bank, Federal Bank, ICICI Bank and Standard Chartered Bank.

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

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

For and On behalf of the Board

***Vidyashankar Krishnan***  
*Chairman of the Meeting*  
(DIN 00081441)

Place: Chennai  
Date: 25 May 2022



### Annexure I – to the Directors' Report:

Information in accordance with Section 134 of the Companies Act, 2013 and as per (requirement of Rule 8(3) of The Companies (Accounts) Rules, 2014) and forming part of the report of the Directors for the year 31<sup>st</sup> March 2022.

#### (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 save on power consumption.
  - 1.2 Buildings are set up with natural lighting and energy efficient LED lights.
  - 1.3 Consumption of Light Diesel Oil and Furnace Oil is closely monitored to conserve energy.
  - 1.4 Waste heat is extracted to reduce energy consumption in Heat Treatment.
2. Additional investment and proposals, if any, being implemented for the reduction in consumption of energy: Optimising energy consumption, close monitoring of Power Consumption of Induction Billet Heaters to reduce power consumption.
3. Green Power:
 

The Company has generated 228.71 lakh units from its wind and 27.09 lakh units from solar farms equivalent to approximately 21109 tons of CO<sub>2</sub> from wind and 2502 tons of CO<sub>2</sub> from solar, totaling a saving of 23611 tons of CO<sub>2</sub> in the year.
4. Impact of measures at 1, 2 & 3 for reduction of energy consumption and consequent impact on the cost of production of goods: It is not possible to determine the figure.

	2021-22	2020-21
<b>1 ELECTRICITY</b>		
<b>a. Purchased:</b>		
Units	9,42,54,687	7,00,06,283
Total Amount	72,36,94,615	57,91,22,635
Rate / Unit	7.68	8.27
<b>b. Own Generation:</b>		
Units	1,64,777	1,63,235
Units per ltr	3.71	3.06
Cost / Unit	27.19	25.76
<b>2 FUEL OIL</b>		
Quantity (in ltrs)	22,93,892	19,09,468
Total amount	19,64,04,374	11,70,92,448
Average Rate (/ltr.)	85.62	61.32
<b>3 CONSUMPTION PER UNIT OF PRODUCTION</b>		
a. Electricity Units	1,542	1,471
b. Fuel Oil Litres	37	40

Note: No standards are available for comparison.



## (B) TECHNOLOGY ABSORPTION:

### RESEARCH AND DEVELOPMENT (R&D)

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

1. R&D efforts in a manufacturing industry like ours, is an ongoing process. Continuous efforts have been taken in various areas of the manufacturing activity.
2. Benefits derived as a result of the above R&D: It has not been possible to determine the figure.
3. Future plan of action: Continuous efforts are being put in by way of Research & Development in all the areas of manufacturing to reduce the cost of major inputs such as steel, fuel, power, etc.
4. Expenditure on R& D: Not less than ₹ 100 lakhs though indirectly.

### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

## (C) FOREIGN EXCHANGE EARNINGS AND OUTGO

1	Activities relating	Exports at ₹ 54,053.49 lakhs form a significant part of the Company's turnover ₹35,488.62 Lakhs in 2020-21)
2	Initiatives taken to increase development of new export markets for products and services and export plan	a. Vigorous efforts are taken by marketing department to locate new multinational customers in addition to the existing multinationals. b. The Company has been consistently retaining the TS 16949 certification for its Quality Management system.
3	Total Foreign Exchange	Earned: ₹5,40,53,49,642 (₹3,54,88,62,309 IN 2020-21) Used: ₹ 63,87,33,562 (₹3,70,74,607 IN 2020-21)

For and On behalf of the Board

**Vidyashankar Krishnan**  
Chairman of the Meeting  
(DIN 00081441)

Place: Chennai  
Date: 25 May 2022



## 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 31.03.2022.

SNo.	Name	Designation	Remuneration	Qualification	Experience (Yrs)	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 Rs.24,00,000 per annum									
1	Shri. Vidyashankar Krishnan DIN: 00081441	Vice Chariman and Managing Director	6,95,29,262	B.E., M.S.	32	25.06.1990	56	- Nil -	11.27%
2	Shri. K. Venkatramanan DIN: 00823317	Joint Managing Director	6,95,21,678	B.E.	30	24.01.1992	52	- Nil -	10.71%
b) Employed for a part of the year and were in receipt of remuneration at a rate of not less than Rs.8,50,000 per month									

**Note: 1.** Remuneration as shown above includes salary, commission, employer's contribution to Provident Fund and value of perquisites together.

For and On behalf of the Board

**Vidyashankar Krishnan**  
Chairman of the Meeting  
(DIN 00081441)

Place: Chennai  
Date: 25 May 2022

## ANNEXURE III - Report on Corporate Governance

### 1. Company's Philosophy on Code of Governance:

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

### 2. Board of Directors:

#### 2.1. Composition and category of Directors as on 31<sup>st</sup> March 2022 is as follows:

Category	No. of Directors	%
Executive Directors	2	28.57
Non-Executive, Independent Directors	4	57.14
Non-Executive, Non-Independent Director	1	14.29
<b>Total</b>	<b>7</b>	<b>100.00</b>



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

Name of the Director	No. of Board Meetings (as a director)	No. of Board Meetings Attended	Last AGM attendance (Yes / No)
Shri N. Srinivasan	6	5	No
Shri V. Vaidyanathan	6	6	Yes
Shri Vidyashankar Krishnan	6	6	Yes
Shri K. Venkatramanan	6	6	No
Shri. A. Gopalakrishnan	6	6	Yes
Smt. Kavitha Vijay	6	6	Yes
Smt.Sumita Vidyashankar	3	3	Yes

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

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

Six Board Meetings were held during the year -  
01 June 2021, 21 June 2021, 13 August 2021, 15 October 2021, 08 November 2021 and 07 February 2022.

## 2.5. Number of other Boards or Board Committees in which the Directors are members or Chairman:

Refer Notes on Accounts.

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

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

- Annual operating plans and budgets and any updates.
- Capital Budgets and any updates.
- Annual Accounts, Directors' Report, etc.
- Quarterly Results of the Company.
- Minutes of the meetings of Audit Committee and other committees of the Board.
- The information on recruitment and promotion of Senior Officers to the level of Executive Director which is just below the level of the Board.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, etc.
- Operational highlights.
- Major investments.
- Award of large contracts.
- Disclosure of interest by Directors about Directorship and committee positions occupied



- by them in other companies.
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- Quarterly Report on foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement.
- Any significant development in Human Resources / Industrial Relations.
- Non-Compliance of any regulatory, statutory or listing requirements and shareholders services such as non-payment of Dividend, delay in share transfer etc.
- Short term investments.
- Information relating to any legal disputes.
- Other materially important information.

## 2.7. **Code of Conduct:**

The Board of Directors have laid out a Code of Conduct which is applicable to each member of the Board of Directors and Senior Management of the Company. The Company has received confirmation from all the Directors and Senior Management of the Company regarding compliance with the said Code for the year ended 31<sup>st</sup> March 2022. 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.

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

## 2.8. **Prevention of Insider Trading:**

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

## 2.9. **Disclosure of relationship between Directors interse:**

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

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

Shri. V. Vaidyanathan	: 10,500 shares
Shri A.Gopalakrishnan	: 1,600 shares

## 2.11 **Weblink where details of familiarisation programmes imparted to Independent Directors is disclosed:**

[https://www.mmforgings.com/uploads/Familiarisation\\_programme/Familiarization\\_programme1.pdf](https://www.mmforgings.com/uploads/Familiarisation_programme/Familiarization_programme1.pdf)





## 2.12. Expertise of the Directors:

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

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

## 2.13 Confirmation Certificate:

This is to affirm that all the independent directors have fulfilled the conditions specified in SEBI LODR and are independent of the management.

## 3. Audit Committee (AC):

- 3.1. Terms of reference: The terms of reference of the AC are in accordance with Regulations 18 of SEBI (LODR) and the Committee deals with the following:
  - 3.1.1. Reviewing the Company's internal control system, audit procedures, compliance with statutory and regulatory requirements, financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and correct.
  - 3.1.2. Reviewing quarterly, half yearly and annual financial statements with the management before submission to the Board with special emphasis on accounting policies and practices and legal requirements concerning financial statements
  - 3.1.3. Recommending to the Board, the appointment, remuneration and terms of appointment and removal of Statutory Auditors and fixing their fees.
  - 3.1.4. Risk Management analysis
  - 3.1.5. Reviewing the auditor's independence and performance and also the effectiveness of the audit process.
  - 3.1.6. Management Discussion and Analysis of financial condition and results of operations;
  - 3.1.7. Statement of significant related party transactions.
  - 3.1.8. The appointment and terms of remuneration of the chief Internal Auditor.
  - 3.1.9. Reviewing the functioning of the whistle blower mechanism.



- 3.1.10 Reviewing the utilisation of loans and/ or advances from/investment by the holding Company in the subsidiary.
- 3.1.11 Internal audit reports relating to internal control weaknesses.
- 3.1.12 Reviewing the utilisation of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
- 3.1.13 Any other terms of reference as may be included from time to time in accordance with SEBI (LODR)

3.2 Date of Meetings:

During the year under review, the Committee had 5 meetings held as follows:  
01 June 2021, 21 June 2021, 13 August 2021, 08 November 2021 and 07 February 2022.

3.3.1 Formation, Composition and attendance of AC Meetings:

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

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

3.3. Attendance

Name	No. of AC Meetings	No. of AC Meetings attended
Shri. N. Srinivasan (Chairman)	5	4
Shri. V. Vaidyanathan	5	5
Shri. Vidyashankar Krishnan	5	5
Shri. A Gopalakrishnan	5	5
Smt. Kavitha Vijay	5	5
Smt. Sumita Vidyashankar	2	2

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

**4 Stakeholders Relationship Committee:**

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



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

4.2 Date of Meetings:

During the year under review, the Committee had 4 meetings held as follows:  
21 June 2021, 13 August 2021, 08 November 2021 and 07 February 2022.

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

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

4.3.2 Composition:

Non-Executive Chairman : Shri. V. Vaidyanathan  
Other members : Shri. Vidyashankar Krishnan, Shri. K. Venkatramanan,  
Shri. A.Gopalakrishnan, Smt. Kavitha Vijay and  
Smt. Sumita Vidyashankar.

4.3.3 Attendance:

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

4.4 Name and Designation of the Compliance Officer:

Smt. J. Sumathi, Company Secretary.

4.5 No. of Investor complaints received and redressed during FY 2022 are as follows:

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

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



## 6 Corporate Social Responsibility Committee:

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

6.2 Date of Meeting:

During the year under review, the Committee had 4 meetings held as follows:  
21 June 2021, 13 August 2021, 08 November 2021 and 07 February 2022

6.3 Formation and attendance of CSR Committee Meetings:

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

6.3.2 Attendance:

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

6.4 Annual Report on CSR:

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

The CSR activities carried out by the Company are in accordance with the policy as laid down and approved by the CSR Committee. The CSR Policy is available on then Company's website: [https://www.mmforgings.com/uploads/policies/CSR\\_Policy.pdf](https://www.mmforgings.com/uploads/policies/CSR_Policy.pdf)

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

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

6.4.3 Average net profits of the Company for last three financial years: ₹73.63 Crores;

6.4.4 Prescribed CSR expenditure (2% of the amount as in item no. 3 above) ₹ 147.26 Lakhs for F22;

6.4.5 Details of CSR spent during the financial year:

6.4.5.1 Total amount spent for the financial year: ₹ 163.44 lakhs

6.4.5.2 Amount unspent (if any): NIL;

6.4.5.3 Excess spent: ₹ 26.68 lakhs;

6.4.5.4 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	Karnataka Tamil Nadu Uttaranchal	3.50	3.25	3.25	Direct
2	Education	Education	Maharashtra Tamil Nadu	13.00	12.95	16.20	Direct
3	Combating Diseases	Health	Pan India	133.50	132.78	148.98	Direct
4	Social Business Projects	Social Business	Tamil Nadu	25.00	24.96	173.94	Direct
	<b>TOTAL</b>			<b>175.00</b>	<b>173.94</b>	<b>173.94</b>	

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

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

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

Vidyashankar Krishnan  
Chairman

V. Vaidyanathan  
Director



## 7. Nomination and Remuneration Committee:

### 7.1 Board's Policy:

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

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

### 7.2 Date of Meetings:

During the year under review, the Committee had 4 meetings held as follows:  
21 June 2021, 13 August 2021, 08 November 2021 and 07 February 2022.

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

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

#### 7.3.2 Composition:

Non-Executive Chairman : Shri. V. Vaidyanathan  
Other members : Shri. N Srinivasan and Shri. A.Gopalakrishnan,  
Smt. Kavitha Vijay

#### 7.3.3 Attendance:

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

### 7.4 Performance evaluation criteria for Non-Executive Directors:

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

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



Matters taken into consideration for performance evaluation.

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

## 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.
- Any event of misconduct, act of misdemeanor or act which is/are not in the interest of the Company, which could affect the business or reputation of the Company.

8.2 Date of Meetings:

During the year under review, the Committee had 4 meetings held as follows:  
21 June 2021, 13 August 2021, 08 November 2021 and 07 February 2022.

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

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

8.3.2 Composition : Shri. Vidyashankar Krishnan (Chairman)  
Other Members : Shri. K. Venkatramanan, Shri. N. Ramnath and  
Shri. Krishnakumar Raman

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

## 9 Risk Management Committee:

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

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

9.3 Composition : Shri. Vidyashankar Krishnan (Chairman),  
Other Members : Shri. K. Venkatramanan, Shri. A. Gopalakrishnan,  
Smt. Kavita Vijay, Smt. Sumita Vidyashankar,  
Shri. N. Ramnath and Shri. Krishnakumar Raman.



## 10. Directors' Remuneration:

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

Particulars	Shri. Vidyashankar Krishnan		Shri. K. Venkatramanan	
	2021-22	2020-21	2021-22	2020-21
Salary and allowances	3,26,97,826	2,05,37,500	3,26,97,826	2,05,37,500
Commission	3,20,00,000	55,00,000	3,20,00,000	55,00,000
Perquisites				
Provident Fund	22,50,924	14,38,895	22,50,924	14,38,895
Superannuation	20,25,000	17,43,749	20,25,000	17,43,749
Gratuity	5,35,500	4,76,623	5,35,500	4,76,623
Others	20,012	1,64,789	12,428	1,07,109
<b>Total</b>	<b>6,95,29,262</b>	<b>2,98,61,556</b>	<b>6,95,21,678</b>	<b>2,98,03,876</b>

### 10.2 Remuneration of Non – Executive Directors:

Names of the Non-EDs	Commission (₹)		Sitting Fees (₹)		Total (₹)	
	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22
Srinivasan. N	-	-	30,000	67,500	30,000	67,500
Vaidyanathan.V	4,00,000	4,00,000	80,000	1,02,500	4,80,000	5,02,500
A. Gopalakrishnan	3,00,000	4,00,000	40,000	1,10,000	3,40,000	5,10,000
Kavitha Vijay	3,00,000	4,00,000	52,500	40,000	3,52,500	4,40,000
Sumita Vidyashankar	-	4,00,000	-	40,000	-	4,40,000

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

### 10.3 All pecuniary relationship of Non Executive Directors: Nil

### 10.4 Criteria of making payments to Non Executive Directors:

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

## 11. Subsidiary Companies

11.1 DVS Industries Private Limited is a 100% subsidiary Company.

11.2 Cafoma Autoparts Private Limited is a 100% subsidiary Company.

11.3 Suvarchas Vidyut Private Limited is a new start up and is a 100% subsidiary Company.

## 12. Dividend Distribution Policy:

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





### 13 General Meetings:

13.1 Location and time, where last three AGMs held:

Financial year	Date	Time	Location
2018-19	29 Aug 2019	11.30 A.M.	The Music Academy, Chennai
2019-20	29 Sept 2020	12.30 P.M.	Video Conferencing, Chennai
2020-21	13 Sept 2021	12.30 P.M.	Video Conferencing, Chennai
<b>2021-22</b>	<b>04 July 2022</b>	<b>03.00 P.M</b>	<b>Video Conferencing, Chennai</b>

### 14 Special Resolutions passed in the previous 3 AGMs:

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

### 15 Disclosures:

15.1 Related Party Transactions:

15.1.1 DVS Industries Private Limited (100 % subsidiary Company)

Advances made: ₹ 835,294,647 for 2021-22

Advances made: ₹ -68,305,969 for 2020-21

15.1.2 Cafoma Autoparts Private limited (100 % subsidiary Company)

Advances made: ₹ -8,418,537 for 2021-22

15.1.3 Smt. Kavitha Vijay:

Universal Legal - Legal Consultancy paid - ₹ 205,000. (2021-22)

15.2 Related party Transactions which are material in nature: None.

15.3 Directors and Key Managerial Personnel are considered to be interested to the extent of their shareholding in the Company and following is the status of their shareholding as on 31<sup>st</sup> March 2022.

Name	Category	No. of Shares	% to total
Shri. V.Vaidyanathan	Non-Executive Director	4,500	0.05
Shri. A.Gopalakrishnan	Non-Executive Director	1,600	0.01
Shri. Vidyashankar Krishnan	Executive Director	27,20,240	11.27
Shri. K. Venkatramanan	Executive Director	25,84,960	10.71
Smt. J. Sumathi	Company Secretary	400	0
Shri. R Venkatakrishnan	Chief Financial Officer	2,400	0.01

15.4 Compliances by the Company:

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



- 15.5 The Company has complied with all the mandatory requirements under the Code of Corporate Governance.
- 15.6 Disclosures regarding appointment or reappointment of Director:  
This year Shri. K. Venkatramanan, Joint Managing Director of the Company, shall retire and being eligible, offer himself for reappointment.

Given below is the brief resume of the Director:

Shri. K. Venkatramanan has a Bachelor's Degree in Engineering. He has 30 years of experience. He joined the Board as an Additional Director of the Company on 21st April 1997. With effect from February 24, 1999, he became the Joint Managing Director in this Company. The present reappointment with effect from 01 September 2018 as Joint Managing Director was made at the AGM held on 11 July 2018. He has been responsible for the tremendous growth in the sales and profits of the Company. His accomplishments include a 20-fold increase in export sales.

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

Holding and subsidiary Companies:

Sr No	In the accounts of	Disclosures of amounts at the year end and the maximum amount of loans/ advances/ investments outstanding during the year.
1	Holding Company	The Company has made advance to the tune of ₹ 83.53 Crores to its Subsidiary Company, DVS Industries Private Limited, repayable at prevailing rates.

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

## 16 Means of Communication

- 16.1 The quarterly, half yearly and annual results of the Company's performance are published in financial dailies viz., Business line and Makkal Kural
- 16.2 The financial results and the shareholding pattern for every quarter are uploaded in the website framed in this regard by the Bombay Stock Exchange Ltd and National Stock exchange Ltd. in the prescribed form, which would enable them to place it on their [website www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)
- 16.3 The financial result, official news releases and presentation made to Institutional Investors are displayed on the website of the Company: [www.mmforgings.com](http://www.mmforgings.com).

## 17 General Shareholders Information:

- 17.1 Date, time and venue of the Annual General Meeting:  
Annual General Meeting is proposed to be held through video conferencing or audio visual means on 04 July 2022 at 3.00 P.M.  
Financial year: 01 April 2021 to 31<sup>st</sup> March 2022
- 17.2 Record date and book closure during the year:  
Annual closing: Tuesday, 07 September 2021 to Monday, 13 September 2021  
Record date for payment of dividend: 02 July 2021.



### 17.3 Listing on Stock Exchanges:

The shares of the Company are listed at:

#### 17.3.1 Bombay Stock Exchange Limited:

Rotunda Building, P.J.Towers, First Floor, New Trading Wing, Dalal Street, Mumbai-400001. Annual Listing fees has been paid as on date.

#### 17.3.2 National Stock Exchange of India Ltd:

‘Exchange Plaza’, Bandra – Kurla Complex, Bandra ( E), Mumbai – 00 051.

Annual Listing Fees has been paid as on date.

### 17.4 Stock Exchange Security Code: Physical:

Bombay Stock Exchange Scrip Code: 522241. Name of the Scrip: MMFORG National Stock Exchange Scrip Code: MMFL. Name of the Scrip: MMFL – EQ

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

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

### 17.5 Registrar and Transfer Agents:

Cameo Corporate Services Limited, Unit: M M Forgings Limited, “Subramanian Building” Fifth Floor, No. 1, Club House Road, Chennai – 600 002.

044-40020723; 044-40020726.

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

### 17.6 Share Transfer System:

- They arrange for issue of dividend. They reconcile the Dividend paid with that of the list of the shareholders.
- They also accept, deal with and resolve complaints of the shareholders. Shareholder complaints are given top priority by the Company and are replied to, promptly by the Secretarial Department and Share Transfer Agents.
- Remat requests are processed within the time prescribed.
- Demat requests are processed within the time prescribed.
- The Company’s Registrar and Share Transfer Agents, Cameo Corporate Services Limited have adequate infrastructure.
- Reminders are sent by Share Transfer Agents in case of Undelivered Bonus shares.
- They process dividend for payment to shareholders.

17.7 Pattern of shareholding as on 31<sup>st</sup> March 2022:

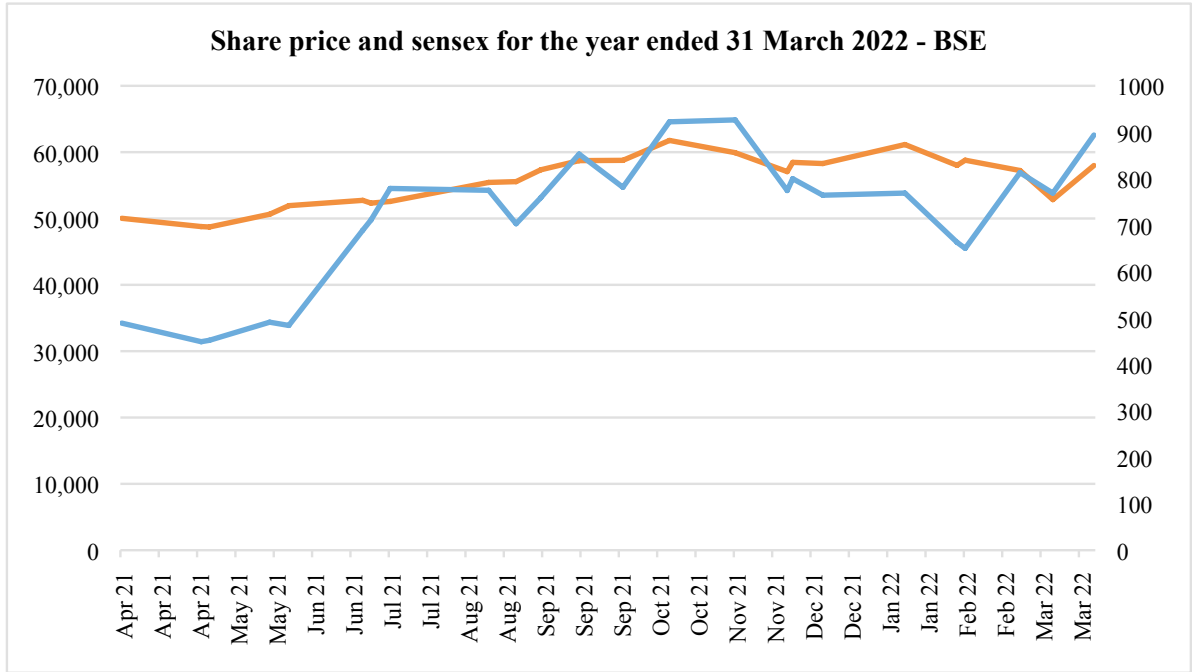
No. of equity shares held	No. of shareholders	% to total	No. of shares held	% of shareholding
1-500	10605	89.08	7,30,313	3.03
501-1000	755	6.34	5,82,611	2.41
1001-2000	243	2.04	3,76,467	1.56
2001-3000	66	0.55	1,67,873	0.69
3001-4000	43	0.36	1,59,958	0.67
4001-5000	31	0.26	1,46,993	0.61
5001-10000	59	0.50	4,23,519	1.75
10001 & above	104	0.87	2,15,53,066	89.28
<b>TOTAL</b>	<b>11906</b>	<b>100.00</b>	<b>2,41,40,800</b>	<b>100.00</b>

17.8 Shareholding pattern as on 31<sup>st</sup> March 2022:

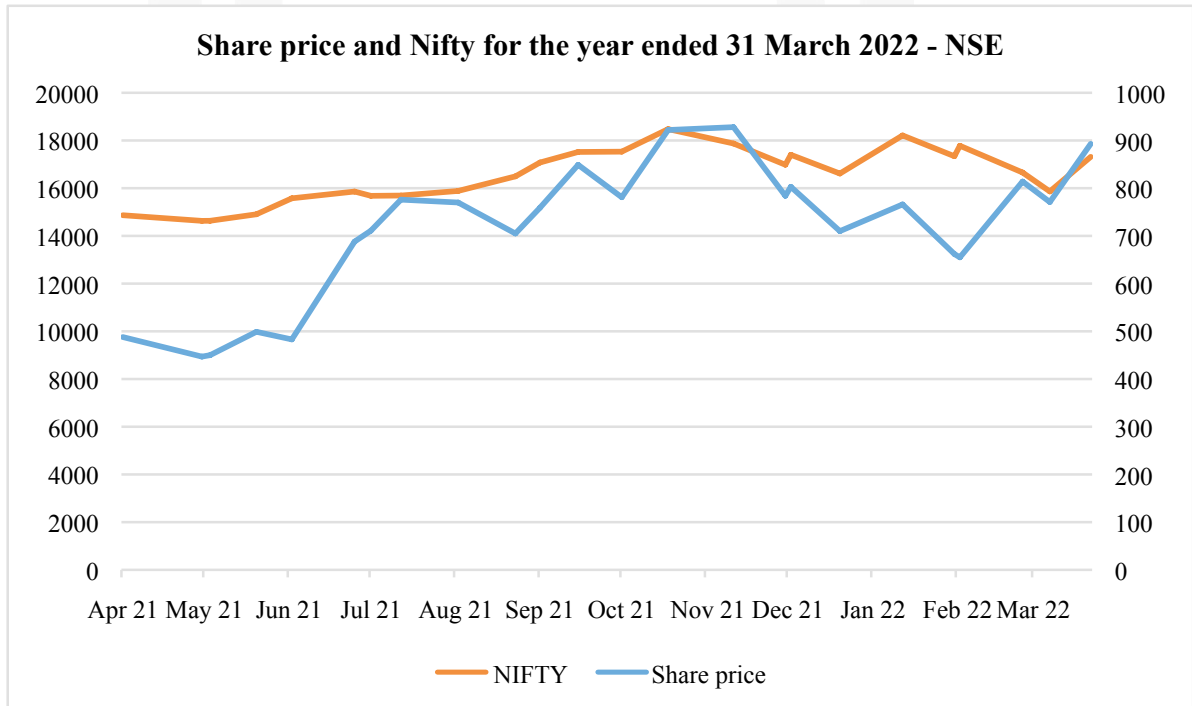
Category	No. of shareholders	% to total	No. of shares held	% of shareholding
Resident Indians	11289	94.81	51,75,560	21.45
FII	1	0.01	100	0
NRIs	395	3.32	1,43,223	0.59
Domestic Company	106	0.89	2,85,053	1.18
Clearing Member	46	0.39	7279	0.03
Mutual Fund	30	0.25	46,14,161	19.11
Trust	1	0	800	0
FPI	24	0.20	188308	0.78
Alternative Inv Fund	2	0.02	124000	0.51
IEPF	1	0.01	2421	0.01
Promoters	11	0.10	1,35,99,895	56.34
<b>Total</b>	<b>11906</b>	<b>100.00</b>	<b>2,41,40,800</b>	<b>100.00</b>



17.9 Share Performance BSE vs SENSEX



17.10 Share Performance – NSE and NIFTY





## 17.11 Share price data for the year 2021-22

Month	Bombay Stock Exchange		National Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr -21	489	449	488	447
May -21	491	452	499	450
June-21	689	484	688	483
July-21	779	711	776	711
Aug-21	775	703	770	705
Sept-21	853	759	849	759
Oct-21	923	782	922	781
Nov-21	927	775	928	784
Dec-21	800	764	803	710
Jan-22	769	663	766	662
Feb-22	813	650	814	655
Mar-22	894	769	893	771

## 17.12 Dematerialisation of shares:

2,37,44,830 Shares (98.36%) dematerialised as on 31<sup>st</sup> March 2022.

Promoters: 1,35,99,895 (56.34%); Public: 1,01,46,327 (42.05%)

## 17.13 Details of public funding obtained in the last three years

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

## 17.14 Outstanding GDRs / ADRs / Warrants or any convertible instruments etc.:

As on 31<sup>st</sup> March 2022 the Company has not issued these types of securities

## 17.15 Plant Locations:

Plant 1 - Singampunari – 630 502, Tamil Nadu

Plant 2 - Viralimalai – 621 316, Tamil Nadu

Plant 4 - Mathur Post – 602 105 Tamil Nadu

Plant 7 - Industrial Automation Division - 600 058, TN

Plant 8 - Rudrapur - 263 153 Uttarkand

(D V S Industries Private Ltd, -100 % Subsidiary Company)

Plant 9 - Kursi Road, Barabanki, UP 225001

Plant 10 - Ranipet – 632403, TN

(Cafoma Autoparts Private Limited- 100 % Subsidiary Company)

**Plant 5 – Wind farms**

W1 - Panakudi - 627109 Tamil Nadu

W2 - Theni District - 625 531 Tamil Nadu

W3 - Tenkasi - 627 811 Tamil Nadu

W4 - Kallapalayam 641 201 Tamil Nadu

**Plant 6 - Solar sites**

S1 - Aruppukottai - 626105 Tamil Nadu

S2 - Viralimalai - 621 316 Tamil Nadu



## 17.16 Address for correspondence:

The Company's registered office is situated at 'SVK TOWERS', A25, 8th Floor, Industrial Estate, Guindy, Chennai – 600032

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

## 17.17 Credit Ratings:

	<b>Amount in Crores</b>	<b>Rating</b>	<b>Rating Action</b>
Long-term Bank facilities	439.19	CARE A; Stable (Single A; Outlook: Stable)	Reaffirmed
Short-term bank facilities	173.00	CARE A; Stable / CARE A1 (Single A; Outlook: Stable / A One)	Reaffirmed
Long-term/ Short-term bank facilities	171.00	CARE A1 (A One)	Reaffirmed
<b>TOTAL</b>	<b>783.19</b>		

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

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

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

## 17.21 Details of Bonus shares unclaimed:

No. of shareholders at the beginning of the year - 151;

No. of outstanding shares at the beginning of the year - 79,500 shares;

No. of shareholders who approached the issuer for transfer of these shares during the year - 4;

No. of shareholders to whom shares were transferred - 4;

No. of shares transferred during the year - 2,600;

No. of shareholders at the end of the year -147;

No. of outstanding shares at the end of the year - 76,900 shares;

## 18 Shares Transferred to IEPF account of the Government:

18.1 Shares transferred under IEPF account of the government (taken the basis of 2015 dividend unclaimed) – Common shareholder shares were transferred to IEPF account during the year.

18.2 The list of shareholders, whose shares have been transferred to IEPF account (for the earlier years) is available on the Company's website.

## 19 Other Disclosures:

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

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

19.3 The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of the SEBI Listing Regulations for Directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the audit committee. The said policy has also been put up on the Company website.



- 19.4 All mandatory requirements have been disclosed and some non mandatory requirements have been adopted.
- 19.5 Policy for determining material subsidiary is disclosed on the Company website: [https://www.mmforgings.com/uploads/policies/Policy\\_on\\_Material\\_Subsidiaries1.pdf](https://www.mmforgings.com/uploads/policies/Policy_on_Material_Subsidiaries1.pdf)
- 19.6 Policy for determining Related Party Transaction is disclosed on Company website: [https://www.mmforgings.com/uploads/policies/Policy\\_on\\_Related\\_Party\\_Transactions.pdf](https://www.mmforgings.com/uploads/policies/Policy_on_Related_Party_Transactions.pdf)
- 19.7 Commodity price risk and hedging activities: No hedging activities have been undertaken for commodity risk.
- 19.8 The Company has duly fulfilled the following discretionary requirements as described in Schedule II Part E of the SEBI Listing Regulations:
- 19.9 The Company has separate persons to the post of Chairperson and CEO (Clause D)
- 19.10 The necessary disclosures of the Compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 have been complied.
- 20 Total fees for all services paid by the Company and its subsidiary Company on a consolidated basis to the statutory auditor: ₹ 20.70 lakhs.

For and On behalf of the Board

**Vidyashankar Krishnan**  
Chairman of the Meeting  
(DIN 00081441)

Place: Chennai  
Date: 25 May 2022





## **Annexure 4 – Auditors’ Certificate on Corporate Governance**

To  
The Members of M M Forgings Limited

We have examined the compliance of conditions of Corporate Governance by M M Forgings Ltd (‘the Company’) for the year ended 31st March 2022 as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulation’). The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

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

### **Restrictions on Use**

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

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

**G.R. NARESH KUMAR**  
**Partner**  
Membership no. 215577

Place: Tiruchirapalli  
Date: 25 May 2022



## **CEO and CFO Certification**

We hereby certify that

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

1. We have reviewed the financial statements and cash flow statement for the year ended 31st March 2022 and to the best of our knowledge and belief:
  - 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2022 are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
4.
  - 1) There has not been any significant change in internal control over financial reporting during the year under reference;
  - 2) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - 3) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Chennai

**Vidyashankar Krishnan**

**R. Venkatakrishnan**

Date: 25 May 2022

Vice Chairman and Managing Director  
(DIN 00081441)

Chief Financial Officer

## **Declaration to the Members pursuant to SEBI (LODR)**

M M Forgings Ltd has laid down a code of conduct for all Board members and Senior Management. All the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, for the Financial Year ended 31<sup>st</sup> March 2022.

For and On behalf of the Board

Place: Chennai

Date: 25 May 2022

**Vidyashankar Krishnan**  
Chairman of the Meeting  
(DIN 00081441)



## 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 - NIL
  - 1.2 Nature of contracts/ arrangements/ transaction - NIL
  - 1.3 Duration of the contracts / arrangements/ transactions - NIL
  - 1.4 Salient terms of the contracts or arrangements or transactions including the value, if any - NIL
  - 1.5 Justification for entering into such contracts or arrangements or transactions - NIL
  - 1.6 Date(s) of approval by the Board - NIL
  - 1.7 Amount paid as advances, if any: - NIL
  - 1.8 Date on which the special resolution was passed in general meeting as required under first proviso to section 188. - NIL
2. Details of material contracts or arrangements or transactions at arm's length basis - NIL
  - 2.1 Name (s) of the related party and nature of relationship: - NIL
  - 2.2 Nature of contracts/ arrangements/ transaction - NIL
  - 2.3 Duration of the contracts / arrangements/ transactions - NIL
  - 2.4 Salient terms of the contracts or arrangements or transactions including the value, if any - NIL
  - 2.5 Date (s) of approval by the Board - NIL
  - 2.6 Amount paid as advances, if any: - NIL

In terms of our report even date.

For **GRNK & Co.**  
Chartered Accountants  
FRN 016847S

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

**K. Venkatramanan**  
Joint Managing Director  
(DIN: 00823317)

**V.Vaidyanathan**  
Director  
(DIN: 00081792)

**G. R. Naresh Kumar**  
Partner  
Membership no. 215577

**A. Gopalakrishnan**  
Director  
(DIN: 06414546)

**Kavitha Vijay**  
Director  
(DIN: 01047261)

**Sumita Vidyashankar**  
Director  
(DIN: 00059062)

Place: Chennai  
Date: 25<sup>th</sup> May 2022

**J.Sumathi**  
Company Secretary

**R.Venkatakrisnan**  
Chief Financial Officer



## BUSINESS RESPONSIBILITY REPORT

### SECTION A – GENERAL INFORMATION ABOUT THE Company

1.	Corporate Identity No ( CIN) of the Company	L51102TN1946PLC001473	
2.	Name of the Company	M M Forgings Limited	
3.	Registered address	'SVK Towers', A 25, 8 <sup>th</sup> Floor, Industrial Estate, Guindy, Chennai - 600032	
4.	Website	www.mmforgings.com	
5.	Email Id	corporate@mmforgings.com	
6.	Financial Year reported	2021-22	
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code	Description
		25910	Metal Forging
8.	List three key products/ services that the Company manufactures/ provides (as in balance sheet)	<ol style="list-style-type: none"> <li>1. Front Axle Beam</li> <li>2. Knuckle</li> <li>3. Crankshaft</li> </ol>	
9.	Total Number of Locations where business activity is undertaken by the Company	<p><b>Registered Office</b>  'SVK Towers' A25, 8th Floor, Industrial Estate, Guindy, Chennai - 600 032.  Manufacturing locations:</p> <p><b>Factories</b>  Plant 1 - Singampunari - 630 502, TN.  Plant 2 - Viralimalai - 621 316, TN.  Plant 4 - Mathur Post - 602 105, TN.  Plant 7 - Industrial Automation Division - 600 058, TN.  Plant 8 - Rudrapur - 263 153, Uttarkand. (DVS Industries Pvt Ltd, Subsidiary Company)  Plant 9 - A4 Industrial Area, Kursi Road, Barabanki, District - 225 001, UP.  Plant 10 - Ranipet - 632 403, TN. (Cafoma Autoparts Pvt Ltd, Subsidiary Company)</p> <p><b>Plant 5 - Windfarms</b>  W1 - Panakudi - 627 109, TN.  W2 - Theni District - 625 531, TN.  W3 - Tenkasi - 627 811, TN.  W4 - Kallapalayam 641 201, TN.</p> <p><b>Plant 6 - Solar sites</b>  S1 - Aruppukottai - 626 105, TN.  S2 - Viralimalai - 621 316, TN.</p>	
10.	Markets served by the Company- Local/ State/ National/ International	Both National and International	



## SECTION B - FINANCIAL DETAILS OF THE Company

₹ in Lakhs

1.	Paid up Capital	24,140.08
2.	Total Turnover	₹ 1,12,321.70 as on 31 <sup>st</sup> March 2022
3.	Total profit after taxes	₹ 9,175.99
4.	Total spending on Corporate Social Responsibility (CSR) as % of profit after tax (taking into consideration the average net profit of the Company during 3 preceding financial years)	173.94 Lakhs
5.	List of activities in which expenditure in 4 above has been incurred	1. Eradicating Hunger and Poverty 2. Education 3. Combating Diseases 4. Social Business Projects

## SECTION C – OTHER DETAILS

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



## SECTION D – BR INFORMATION

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

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

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

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

2.1 **Details of Compliances:**

S.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10
1	Do you have a policy / policies	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policy is embedded in the Company's Code of Conduct, Ethics and HR policies.									
2	Has the Policy being formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	NA	Y	Y	Y	Y	Y



S.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10
3	Does the policy conform to any National/ International standards? If yes, specify. (50 words)	<p>YES. The policies are in line with international standards such as ISO 9001: 2015 and TS 16949 Certification. The policies satisfy the Regulatory requirements of Companies Act, 2013 and SEBI (LODR). Guidelines as per NVGs on social, environment and economic responsibility of business have been considered for formulation of some policies.</p>									
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ CEO?	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director official to oversee the implementation of the policy?	<p>These policies are administered and supervised by the management of the Company.</p>									
6	Indicate the link for the policy to be viewed online?	<p>Policies on Whistle Blower, CSR, Nomination and Remuneration, Related party transaction etc are available on Company's website: : <a href="https://www.mmforgings.com">https://www.mmforgings.com</a></p>									
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	NA	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	NA	Y	Y	Y	Y	Y



S.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	NA	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Policies on Quality, Safety, Health and Environment forms part of the certification process done by periodic assessments and are subject to internal and external audits. Other policies are periodically evaluated through Internal Audit.									

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

S.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies in specified principles	-	-	-	-	-	-	-	-	-	-
3	The Company does not have any financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-	-
4	It is planned to be done within 6 months	-	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-	-
6	Any other reason ( please specify)	-	-	-	-	-	-	-	-	-	-





## GOVERNANCE RELATED TO BR

1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 Months, 3-6 months, Annually, More than 1 year	Annually
2	Does Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company will publish the BR Report as a part of its Annual Report.

## SECTION E: PRINCIPLE – WISE PERFORMANCE

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



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

1	List upto 3 products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities	<ol style="list-style-type: none"> <li>1. Front Axle Beam</li> <li>2. Knuckle</li> <li>3. Crankshaft</li> </ol> <p><b>a. Light-weight &amp; press load reduce program (FAB):</b></p> <p>The Company is working on producing complex front axle beam within 8000T forging press. The Company achieved about 9.5% load reduction in mechanical forging press by using high end FEA tools &amp; without affecting performance/ characteristics of Front Axle Beam. Design is validated for stress and deflection levels and it is ensured that stress and deflection levels of optimized design are within acceptance limit.</p> <p>Innovative application of latest technologies has helped the Company to develop critical, high value added products. With the help of latest technologies and reduce roll design, Front Axle Beams are produced using 8000T, which is produced using at the very 12000T by other Companies.</p> <p><b>b. Crankshaft innovation program:</b></p> <p>The Company is working closely to improve the weight balancing of crankshaft. As a part of weight balancing, less amount of machining stock was added near the web area and FEA software was used to validate for better material filling and to reduce underfilling. Crankshaft balancing is achieved with very less number of drilling holes, forging quality and machinability which has the desired result of less wastage of material.</p>
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2	<p>For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)</p> <ol style="list-style-type: none"> <li>1. Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?</li> <li>2. Reduction during usage by consumers ( energy, water) has been achieved since the previous year?</li> </ol>	<ol style="list-style-type: none"> <li>1. In heat treatment operation: Fuel consumption reduced to 10 to 15% by using special type walking beam furnace without using Tray / Basegrid / Basket.</li> <li>2. By using recuperative system in heat treatment furnace, air preheating was achieved by heat exchange from the exhaust which reduced fuel consumption by 5%.</li> <li>3. To reduce electric power, many material handling area we introduced, roller setup using gravity.</li> </ol>
3	<p>Does the Company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.</p>	<p>The Company supplier selection, assesment, evaluation process include elements of sustainability. These include supplier survey, continous risk assesments and audits. There is also communication to suppliers on MMF sustainability requirements.</p>
4	<p>Has the Company taken any steps to procure goods and services from local &amp; small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</p>	<p>M M Forgings has a network of medium enterprises around its factories which complement our manufacturing capability. Quality of our final products depend on the capability of our inputs. Therefore, due steps are taken to ensure the quality of inputs received from vendors by deploying our standard quality systems in the plants as well.</p> <p>Steps are taken to -</p> <ol style="list-style-type: none"> <li>1. Provide training and to provide new MMF requirement communications through supplier meet.</li> <li>2. Evaluate periodically the action taken by the Critical Suppliers to improve themselves.</li> <li>3. Develop quality management systems to Vendors and thereby improve the product quality, reduce the wastages and ensure sustainable development.</li> <li>4. Provide technical help to Vendors for upgradation of their equipment which enhances the capacity and capability.</li> </ol>



5	Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycled of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.	<p>Yes the Company has the mechanism to recycle products.</p> <ol style="list-style-type: none"> <li>1. Company is sending 100 % forging flash to steel mills for recycling purpose.</li> <li>2. 100 % of treated industrial effluent for processing is reused.</li> <li>3. 50 % of recycled water from sewage treatment plant is used for maintenance of greenery in the plant.</li> <li>4. 100 % of hazardous waste is sent to authorized party.</li> <li>5. Packing boxes are recycled.</li> <li>6. Waste is constantly monitored and reduced.</li> </ol>
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### Principle 3 – Businesses should promote the well being of all employees

1	Please indicate the Total number of employees.	3870
2	Please indicate the Total number of employees hired on temporary/contractual/ casual basis	1832
3	Please indicate the Number of permanent women	8
4	Please indicate the Number of permanent employees with disabilities	8
5	Do you have an employee association that is recognized by management	No
6	What percentage of your permanent employees are members of this recognized employee association?	NA



7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year. Child labour/forced labour/ involuntary labour Sexual harassment Discriminatory employment	Category - No	Category - No	Category - No
		of complaints	of complaints	of complaints
		filed during the	filed during the	filed during the
		financial year /	financial year /	financial year /
		No of complaints	No of complaints	No of complaints
		pending as	pending as	pending as
		on end of the	on end of the	on end of the
		financial year	financial year	financial year
		NIL	NIL	
		NIL	NIL	
		NIL	NIL	
8	What percentage of your mentioned employees were given safety & skill upgradation training in the last year?	(a) Permanent Employees	71%	
		(b) Permanent Women Employees	73%	
		(c) Casual/ Temporary/ Contractual Employees	66%	
		(d) Employees with Disabilities	69%	

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

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



### Principle 5: Businesses should respect and promote human rights

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

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

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



3	Does the Company identify and assess potential environmental risks? Y/N	Yes, Environmental risks are covered in the Company's principles that are based on IATF-16949 standards. Every unit or plant implements the following: (i) EHS risks and opportunities; (ii) Identification and evaluation of EHS aspects and requirements; (iii) Legal obligations and other requirements; (iv) EHS emergency management; and (v) Environmental management programmes are taken at high risk area. Once risks are identified, steps are taken to measure and mitigate these risks through EHS management systems approach.
4	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Yes, the Company continues to work towards development and implementation of climate change mitigation projects mainly through energy saving projects, water saving, waste reduction under sustainability development. However, we don't have any registration for Clean Development Mechanism projects.
5	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes, several initiatives on clean technology, energy efficiency, renewable energy and sustainability development has been done like; Solar power activities are initiated. Initiatives can be viewed on: <a href="https://www.mmforgings.com">https://www.mmforgings.com</a>
6	Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, all emissions / waste generated are monitored daily / monthly / quarterly and ensured that they are controlled within the permissible limit as per Tamilnadu Pollution Control Board Consent norms.
7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year	NIL



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

1	Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:	<ol style="list-style-type: none"> <li>1. Association of Indian forging industry (AIFI)</li> <li>2. Confederation of Indian Industry (CII)</li> <li>3. Indian Society for Non-Destructive Testing (ISNT)</li> <li>4. Engineering Export Promotion Council (EEPC India)</li> <li>5. National Institute for Quality and Reliability (NIQR).</li> </ol>
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: governance and administration, economic reforms, inclusive development policies, energy security, water, food security, sustainable business principles, others)	<p>The Company has set up a Corporate Social Responsibility (CSR) committee aiming to have a positive impact on people and communities.</p> <p>The Company has undertaken and contributed to the following CSR projects:</p> <ul style="list-style-type: none"> <li>-</li> <li>a) Eradicating hunger and poverty in the livelihood sector;</li> <li>b) Education;</li> <li>c) Combating diseases in health sector;</li> <li>d) Social business initiatives.</li> </ul>





## Principle 8: Businesses should support inclusive growth and equitable development

1	Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	<p>1. Eradicating hunger and poverty: The beginning of FY 21-22 saw surge in Delta variant of Covid-19. Free distribution of food packets to the needy was undertaken at our Plants.</p> <p>2. Promotion of education: Every year we pay the college fees for Medical, Engineering studies, etc., as also school fees to deserving students whose parents are not able to pay the same due to poverty.</p> <p>3. Environment Sustenance: Tree plantation drive – Every year, we plant saplings at various locations in Singampuneri, Viralimalai, Padappai, Pantnagar and Lucknow encouraging native forest in the manufacturing plants.</p> <p>4. Combating Diseases: The entire nation was aware of the shortage of Oxygen during April / May due to which many lives were lost. MMF had supplied over 100 O2 concentrators to major hospitals to save the lives of the patients.</p>
2	Are the programmes/ projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?	The Company has a separate in-house team for CSR activities to plan, implement, monitor and review various community development initiatives. The Company believes in a participatory approach towards implementing these initiatives.
3	Have you done any impact assessment of your initiative?	We had supplied O2 concentrators to Hindu Mission Hospital on 14th May, 2021 and we were extremely glad and felt immensely blessed to understand from the Hospital that on 16th May, 2021 (Sunday) the hospital ran out of oxygen at around 6.00 pm and got their refill only at 9.00 pm. Till such time, 17 patients were on oxygen support and the O2 concentrators supplied by us sustained the oxygen supply and saved the lives of those critical patients.
4	What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	During the year, the Company has spent around Rs. 131 Lakhs for the supply of O2 concentrators and Oxygen Plants for Hospitals



5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Yes
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**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1	What percentage of customer complaints/ consumer cases are pending as on the end of financial year?	<p><u>Forged parts:</u> - 19 customer complaints were received during the above period and 13 complaints have been closed as on as on 31 Mar 2022. Remedial actions have been taken for the remaining 6 complaints and the effectiveness of corrective actions is being monitored for each of them. As per our corrective action procedure, we monitor the effectiveness of the corrective actions for a period of 3 months / 3 consecutive supplies, whichever is later, before closing the customer complaint.</p> <p><u>Machined parts:</u> - 11 customer complaints were received during the above period and 8 complaints have been closed as on 31 Mar 2022. Remedial actions have been taken for the remaining 3 complaints and the effectiveness of corrective actions is being monitored for each of them now. As per our corrective action procedure, we monitor the effectiveness of the corrective actions for a period of 3 months / 3 consecutive supplies, whichever is later, before closing the customer complaint.</p>
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2	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. / Remarks (additional information)	<p>YES.</p> <p>Our Company products are customer specific and as per our customer requirements with regard to identification / labelling of product, packaging and is consistent with applicable laws of the shipping country and the receiving country.</p> <p>The typical information displayed on product packaging include customer, supplier, part description, part number, engineering revision level, purchase order number, heat code, qty packed, box number, gross weight and net weight.</p>
3	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No.
4	Did your Company carry out any consumer survey/ consumer satisfaction trends?	<p>Our Company values customer feedback and customer satisfaction at various stages of business including enquiry handling, order handling, product realization and shipment.</p> <p>The Company obtains customer feedback through the following channels of communication-</p> <ul style="list-style-type: none"> <li>(i) Customer satisfaction survey once every 6 months</li> <li>(ii) Collection of customer issued score cards / performance reports as per the customer defined frequency</li> <li>(iii) Conference calls with customers</li> <li>(iv) Visits to customer sites / offices</li> <li>(v) Supplier meets</li> </ul> <p>Customer satisfaction data are collected, compiled, trend monitored and actions are initiated in case of negative variations during management review.</p>



**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2022**  
*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies*  
*(Appointment and Remuneration Personnel) Rules, 2014]*

**To**

**The Members**

**MM FORGINGS LIMITED**

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

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

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to me and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I, on strength of those records, and information so provided, hereby report that in my opinion and understanding, the Company, during the audit period covering the financial year ended on 31st March, 2022, appears to have complied with the statutory provisions listed hereunder and also in my limited review, that the Company has proper and required Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **MM Forgings Limited** (“the Company”) for the financial year ended on 31st March, 2022 according to the provisions as applicable to the Company during the period of audit:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;
4. 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;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): -
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- 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;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- There are no laws/ Regulations (as amended from time to time), as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/industry.

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

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

During the year under review: -

1. The provision as required under section 149(1) of the Companies Act, 2013 regarding representation of Woman Director on the Board has been duly complied
2. The provision as required under section 149(4) of the Companies Act, 2013 regarding Independent Directors have been duly complied.
3. The service of notice of Annual General meeting together with the Annual Report of the Company for the financial year 2020-21 was in compliance with the Companies Act, 2013.

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

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

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



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

The Company had reappointed the Cost Auditor for the financial year 2021-22, for a period of one year.

The Company has appointed Additional Director (Women Director) of the Company with effect from 13.08.2021 and the requisite forms have been filed with the Registrar of Companies Chennai, Tamilnadu to confirm her appointment which was approved by the members in the AGM held on 13.09.2021.

On 15<sup>th</sup> October 2021, MM forgings Ltd acquired Cafoma Autoparts Pvt Ltd, a 40 year old Company situated at Ranipet which is amongst the large independent suppliers of machined Crankshafts catering to the tractor and Industrial segment. The acquisition of Cafoma will enhance the Company's (MMF) machining capacity of crankshafts. The parent Company (MMF) is expected to become a full-fledged supplier of machined crankshafts to various sectors including automotive, commercial vehicles, exports, farm equipment, industrial and marine applications. Cafoma marks the latest in a string of acquisitions of crankshaft machining lines that parent Company (MMF) has recently made. This began with the 100% stake in DVS Industries in 2018. In 2019 DVS bought the crankshaft machining lines of Amul Auto Components Rudrapur. The crankshaft machining lines of BSN Industries were procured during Jan-March 2020. Recently in May- July 2021 MMF acquired the crankshaft machining facilities of Clover, an erstwhile Company of the Amtek Group, amongst other assets from Clover. This will launch MMF into the top league of integrated crankshaft suppliers in India with in- house forging and machining facility.

M/s. SUVARCHAS VIDYUT PRIVATE LIMITED having Authorised Share Capital of Rs. 5 Crores and Paid up capital of Rs. 1 Crore was incorporated as a wholly owned Subsidiary of your Company (MMF) on 31<sup>st</sup> March 2022. M/s. SUVARCHAS VIDYUT PRIVATE LIMITED is a wholly-owned subsidiary with 100% shares held by MMF, the parent Company. The main objects of this acquisition is to create a start up to produce electrical and electronic components and subassemblies for industrial, consumer and automotive applications. The parent Company has subscribed 10 lakhs equity shares at the face value of Rs.10 each aggregating to Rs. 1 Crore.

I further report that:

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

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

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



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

**V SHANKAR**  
**COMPANY SECRETARY IN PRACTICE**

ACS No. 12080

C.P.No. 12974

UDIN: - A012080D000386333

Place: Chennai

Date: 25.05.2022

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

#### ANNEXURE-A

**To,**  
**The Members**  
**MM FORGINGS LIMITED**  
**“SVK TOWERS” A 24/25, THIRU VI KA INDUSTRIAL ESTATE,**  
**GUINDY, CHENNAI-600032**

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

**V SHANKAR**  
**COMPANY SECRETARY IN PRACTICE**

ACS No. 12080

C.P.No. 12974

UDIN: - A012080D000386333

Place: Chennai

Date: 25.05.2022



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

**To,  
The Members of  
MM FORGINGS LIMITED  
“SVK TOWERS” A 24/ 25, Thiru Vi Ka Industrial Estate, Guindy,  
Chennai-600032**

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of appointment in Company</b>
NA	NA	NA	NA

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

**V SHANKAR  
COMPANY SECRETARY IN PRACTICE**

ACS No. 12080

C.P.No. 12974

UDIN: - A012080D000386333

Place: Chennai

Date: 25.05.2022





**INDEPENDENT AUDITORS' REPORT**  
**To the Members of M M Forgings Limited**  
**Report on the Audit of Standalone Financial Statements**

### Opinion

We have audited the accompanying standalone financial statements of M M Forgings Limited (hereinafter referred to as “the Company”), which comprise the Balance Sheet as at **March 31, 2022**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

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 Companies Act, 2013 (hereinafter referred to as “the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at **March 31, 2022** and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor’s Response
	NIL	



## **Information other than the financial statements and Auditors' Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

## **Management's Responsibilities for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the standalone financial statements, the Board of Directors of the Company is responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Company is also responsible for overseeing the financial reporting process of the Company.



## Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.



We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit, we report that:

- (i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (iii) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
- (iv) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
- (v) On the basis of the written representations received from the Directors as on **March 31, 2022** taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2022 from being appointed as a Director in terms of Section 164(2) of the Act;
- (vi) With respect to the adequacy of the internal financial controls system with reference to financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- (vii) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended:
- (viii) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is



in accordance with the provisions of Section 197 of the Act.

- (ix) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company does not have any pending litigation which would impact its financial position.
  - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - i. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - ii. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- d. As stated in the standalone financial statements
  - i. Interim Dividend was declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable
  - ii. The Board of Directors of the Company has declared interim dividend for the year. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

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

**G.R. NARESH KUMAR**  
**Partner**

Place: Tiruchirapalli  
Date: 25 May 2022

Membership no. 215577  
UDIN: 22215577AKHLMX1792



**G R N K & CO**  
**CHARTERED ACCOUNTANTS**

PHONE: (0431) 4012931  
26/ 5 AKILA LANDS  
GANAPATHY COLONY SOUTH  
T.V.KOIL, TIRUCHY - 620 005

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**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of M M Forgings Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we report that:

I

1. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment
  - (b) The Company has maintained proper records showing full particulars of intangible assets;
  - (c) The Company has a regular program of physical verification of Property, Plant and Equipment in a phased manner, which, in our opinion, is reasonable, considering the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
2. According to the information and explanations furnished to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that the Title Deeds, comprising of all the immoveable properties are held in the name of the Company as at the Balance Sheet date.
3. The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
4. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended) and Rules made thereunder.

II

1. The inventories have been physically verified by the Management during the year at reasonable intervals, except materials lying with third parties, where confirmations are obtained. In our opinion, the coverage and procedure of such verification by the Management is appropriate. The discrepancies noticed on verification between the physical stocks and the book records were not material and they have been properly dealt with in the books of account.
2. Monthly statements of stocks and debtors filed by the Company with Banks, from whom working capital limits in excess of Rupees Five crore were availed, were in agreement with the books of account of the Company.

III

According to the information and explanations furnished to us, apart from the Loan of ₹8,352.95 Lakhs to M/S. DVS Industries Private Limited, subsidiary of the Company, the Company has neither granted nor taken any loans to and from companies, firms or other parties covered in the Register, maintained under Section 189 of the Companies Act, 2013. In respect of the loan to such subsidiary Company: -



1. The Terms and conditions of the grant of such loan is, in our opinion, not prejudicial to the interest of the Company;
2. The repayment of the said loan is yet to commence as per the schedule stipulated for the repayment;
3. There is no overdue amount remaining outstanding as on the date of the Balance Sheet. The Company has also made an Investment of ₹28.00 Crores towards 100% Share Capital in CAFOMA Autoparts Private Limited as per details below:  
60,00,000 Equity Shares of ₹10 Each  
84,00,000 Cum. Redeemable Preference Shares of ₹10 Each. The Company has not made any other investments in companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year.
4. No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
5. No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
6. The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable
7. The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- IV In our opinion and according to the information and explanations furnished to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- V During the year, the Company has not accepted any deposits or amounts which are deemed to be deposits. Hence reporting under Clause 3(v) of the Order is not applicable.
- VI The maintenance of cost records under Section 148 (1) of The Act has not been specified by The Central Government for the business activities carried on by the Company. Thus, reporting under Clause 3(vI) of the Order is not applicable to the Company.
- VII In respect of statutory dues:
  - a) According to the records of the Company, the Company has been regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with appropriate authorities
  - b) There were no undisputed amounts payable in respect of any of the above statutory dues in arrears as at March 31, 2022 for a period more than six months from the date they became payable
  - c) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below;

Name of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (₹ Crore)
The Income Tax Act	Due as per order U/S 201	CIT Appeals	Y.E. 31.03.2016	0.24



- VIII There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961.
- IX (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.  
 (b) The Company has not been declared as a wilful defaulter by any Bank or financial institution or other lender.  
 (c) The term loans were applied for the purpose for which the loans were obtained. The Company has repaid / availed the following term loans / Working Capital facilities from Banks:
- |                                   |                   |
|-----------------------------------|-------------------|
| Long Term Borrowings Availed      | ₹ 1,1460.75 Lakhs |
| Net Long Term Borrowings Repaid   | ₹ (657.01) Lakhs  |
| Net Short Term Borrowings Availed | ₹ 1,025.05 Lakhs  |
| Net Borrowings during the Year    | ₹ 5,911.79 Lakhs  |
- Based on our audit, we report that the proceeds of the Term Loan / Working Capital have been utilized for the purpose for which they were borrowed – namely creation of Fixed Assets of the Company. The total investment in Fixed Assets / Current Assets for the year is as under:
- |  |                   |
|--|-------------------|
| Investment in Fixed Assets – Including CWIP    | ₹ 11,131.80 Lakhs |
| Investment in Current Assets – Stock / Debtors | ₹ 6,889.51 Lakhs  |
| Total  | ₹ 18,021.31 Lakhs |
- Thus, the Total Assets created is at ₹ 18,021.31 Lakhs as against Net Borrowals of ₹ 5,911.79 Lakhs.
- (d) On an overall examination of the financial statements of the Company, funds raised on short term basis have not been utilised for long term purposes.  
 (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.  
 (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- X (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.  
 (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable
- XI (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.  
 (b) No report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.  
 (c) There were no whistle-blower complaints received during the year by the Company.
- XII The Company is Not a Nidhi Company. Accordingly, para 3 (xii) of The Order is not applicable to the Company.
- XIII Based on the audit procedures performed and information and explanations given by the management, all the transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act 2013 were applicable and details of such transactions are duly reported in the standalone Financial Statements as required by the applicable Accounting Standards.





- XIV (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.  
(b) We have considered the internal audit reports for the year under audit, issued to the Company during the year.
- XV In our opinion, the Company has not entered in to any non-cash Transactions with Directors or persons connected with him and hence, the provisions of Section 192 of the Companies Act 2013 are not applicable to the Company.
- XVI (a) In our opinion, no registration is required under Section 45 IA of The Reserve Bank of India Act. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.  
(b) In our opinion, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- XVII The Company has not incurred cash losses during the financial years 2020-21 and 2021-22.
- XVIII There has not been any resignation of the statutory auditors of the Company during the year.
- XIX On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- XX (a) There are no unspent amounts towards Corporate Social Responsibility (“CSR”) in respect of other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.  
b) There are no ongoing projects and hence, the requirement of transferring unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act is not applicable to the Company.

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

**G.R. NARESH KUMAR**  
**Partner**

Membership no. 215577  
UDIN: 22215577AKHLMX1792

Place: Tiruchirapalli  
Date: 25 May 2022



**G R N K & CO**  
**CHARTERED ACCOUNTANTS**

PHONE: (0431) 4012931  
26/ 5 AKILA LANDS  
GANAPATHY COLONY SOUTH  
T.V.KOIL, TIRUCHY - 620 005

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## **Annexure B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting with reference to financial statements of **M.M Forgings Limited** ('the Company') as of **31<sup>st</sup> March 2022** in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditor's Responsibility**

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

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



risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at **31<sup>st</sup> March 2022**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Tiruchirapalli  
Date: 25 May 2022

**PARTNER**  
Membership no. 215577



**G R N K & CO**  
**CHARTERED ACCOUNTANTS**

PHONE: (0431) 4012931  
26/ 5 AKILA LANDS  
GANAPATHY COLONY SOUTH  
T.V.KOIL, TIRUCHY - 620 005

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**Annexure 4 – Auditors’ Certificate on Corporate Governance**

To  
**The Members of M.M Forgings Limited**

We have examined the compliance of conditions of Corporate Governance by **M.M Forgings Limited** (‘the Company’) for the year ended **31<sup>st</sup> March 2022**, as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulation’) The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

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

**Restrictions on Use**

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

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

Place: Tiruchirapalli  
Date: 25 May 2022

**PARTNER**  
Membership no. 21557



BALANCE SHEET AS AT 31 MARCH 2022			
₹ in Lakhs			
Particulars	Note No.	As at 31st Mar 2022	As at 31st Mar 2021
<b>A ASSETS</b>			
<b>1 Non-current Assets</b>			
1.1 Property, Plant and Equipment			
1.1.1 Property, Plant and Equipment	3	64,983.03	61,751.19
1.1.2 Capital work-in-progress		3,635.46	1,746.75
		68,618.49	63,497.94
1.2 Financial Assets			
1.2.1 (i) Non-current investments	4	3,288.44	488.44
1.2.2 (ii) Long-term loans and advances	5	9,704.04	10,052.00
1.3 Other non-current assets	6	841.58	1,668.51
		13,834.06	12,208.95
<b>2 Current Assets</b>			
2.1 Inventories	7	19,275.14	16,859.66
2.2 Financial Assets			
2.2.1 (i) Trade receivables	8	16,640.63	12,166.59
2.2.2 (ii) Cash and cash equivalents	9	22,400.87	18,602.47
2.2.3 (iii) Bank balances other than (ii) above		53.71	103.65
2.2.4 (iv) Short-term loans and advances	10	3,082.60	2,858.70
2.3 Other current assets	11	8.80	-
		61,461.75	50,591.07
		<b>1,43,914.30</b>	<b>1,26,297.96</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
1.1 Equity Share capital	12	2,414.08	2,414.08
1.2 Other Equity	13	55,349.70	47,622.10
		57,763.78	50,036.18
<b>2 Non-current liabilities</b>			
2.1 Financial liabilities			
2.1.1 (i) Long-term borrowings	14	34,618.83	29,732.09
2.2 Deferred tax liabilities (net)		3,517.13	3,088.27
2.3 Other long-term liabilities	15	314.95	304.81
		38,450.91	33,125.17
<b>3 Current liabilities</b>			
3.1 Financial liabilities			
3.1.1 (i) Short-term borrowings	16	24,527.54	23,502.49
3.1.2 (ii) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises; and	17	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	17	11,796.82	9,799.06
3.2 Other current liabilities	18	8,927.28	8,379.99
3.3 Short-term provisions	19	2,447.97	1,455.09
		47,699.61	43,136.63
<b>TOTAL</b>		<b>1,43,914.30</b>	<b>1,26,297.98</b>

See accompanying notes forming part of the financial statements

In terms of our Report of even date.

For GRNK & Co.  
Chartered Accountants  
FRN 016847S

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

K. Venkatramanan  
Joint Managing Director  
(DIN: 00823317)

V.Vaidyanathan  
Director  
(DIN: 00081792)

G. R. Naresh Kumar  
Partner  
Membership no. 215577

A. Gopalakrishnan  
Director  
(DIN: 06414546)

Kavitha Vijay  
Director  
(DIN: 01047261)

Sumita Vidyashankar  
Director  
(DIN: 00059062)

Place: Chennai  
Date: 25 May 2022

J.Sumathi  
Company Secretary

R.Venkatakrisnan  
Chief Financial Officer



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022			
		₹ in Lakhs	
Particulars	Note No.	For the year ended 31 Mar 2022	For the Year ended 31 Mar 2021
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations	20	1,10,464.48	72,564.78
2 Other income	21	1,857.22	2,159.18
<b>3 Total Income (1+2)</b>		<b>1,12,321.70</b>	<b>74,723.96</b>
<b>4 Expenses</b>			
4.1 Cost of materials consumed	22	52,280.87	33,152.49
4.2 Changes in inventories of finished goods and work-in-process	23	-1,836.70	1,541.84
4.3 Employee benefits expense	24	11,272.52	7,649.65
4.4 Finance costs	25	2,731.18	3,122.28
4.5 Depreciation and amortisation Expenses	3.3	6,010.61	5,673.25
4.6 Other expenses	26	28,573.81	18,091.39
<b>Total expenses (4)</b>		<b>99,032.29</b>	<b>69,230.90</b>
<b>5 Profit / (Loss) before exceptional items and tax (3 - 4)</b>		<b>13,289.41</b>	<b>5,493.06</b>
<b>6 Exceptional items</b>			
Profit on Sale of Business Asset		0.13	0.03
<b>7 Profit / (Loss) before tax (5 ± 6)</b>		<b>13,289.54</b>	<b>5,493.09</b>
<b>8 Tax expense:</b>			
8.1 Current tax expense for current year		2,599.52	725.00
8.2 Tax expense relating to prior years		84.55	-
8.3 Net current tax expense		2,684.07	725.00
8.4 Mat Credit adjusted / (entitlement)		-	-
8.5 Deferred tax and Mat Liability / (Asset)		1,429.48	107.36
		4,113.55	832.36
<b>9 Profit / (Loss) from continuing operations (7 ± 8)</b>		<b>9,175.99</b>	<b>4,660.73</b>
<b>B DISCONTINUED OPERATIONS</b>			
10 Profit / (Loss) from discontinued operations		-	-
11 Tax expenses of discontinued operations		-	-
<b>12 Profit / (Loss) from discontinued operations (10 ± 11)</b>		<b>-</b>	<b>-</b>
<b>C TOTAL OPERATIONS</b>			
<b>13 Profit / (Loss) for the year (9 ± 12)</b>		<b>9,175.99</b>	<b>4,660.73</b>
14 Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other Comprehensive Income for the year, net of tax		-	-
<b>15 Total Comprehensive Income for the year (13 + 14) comprising Profit/ (Loss) and Other Comprehensive Income for the year</b>		<b>9,175.99</b>	<b>4,660.73</b>
<b>16 Earnings per share (of Rs. 10 /- each):</b>			
16.1 Basic			
16.1.1 Continuing operations		38.01	19.31
16.1.2 Discontinued operations		-	-
16.1.3 Total operations		38.01	19.31
16.2 Diluted			
16.2.1 Continuing operations		38.01	19.31
16.2.2 Discontinued operations		-	-
16.2.3 Total operations		38.01	19.31

See accompanying notes forming part of the financial statements

In terms of our Report of even date.

For GRNK & Co.  
Chartered Accountants  
FRN 016847S

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

K. Venkatramanan  
Joint Managing Director  
(DIN: 00823317)

V.Vaidyanathan  
Director  
(DIN: 00081792)

G. R. Naresh Kumar  
Partner  
Membership no. 215577

A. Gopalakrishnan  
Director  
(DIN: 06414546)

Kavitha Vijay  
Director  
(DIN: 01047261)

Sumita Vidyashankar  
Director  
(DIN: 00059062)

Place: Chennai  
Date: 25 May 2022

J.Sumathi  
Company Secretary

R.Venkatakrisnan  
Chief Financial Officer



## Notes forming part of the financial statements

### 1 Corporate information

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

### 2 Significant accounting policies followed by the Company: -

#### 2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. Sales does not include GST.

#### 2.2 Use of estimates

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

#### 2.3 Inventories

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

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

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

#### 2.5 Cash flow statement

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



## 2.6 Depreciation and amortisation

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

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

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

The estimated useful life of assets are as follows:

### Particulars

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

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

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





## 2.7 Revenue recognition

### Sale of goods

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

## 2.8 Other income

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

## 2.9 Tangible fixed assets

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

### Capital work-in-progress:

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

## 2.10 Foreign currency transactions and translations

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

### Measurement of foreign currency monetary items at the Balance Sheet date

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

### Treatment of exchange differences

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. The amount capitalised in the current year is ₹ -275.30 Lakhs (Last Year ₹ 757.08 Lakhs).

### Accounting of forward contracts

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



## 2.11 Investments

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

## 2.12 Employee benefits

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

### Defined contribution plans

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

### Defined benefit plans

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

### Short-term employee benefits

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

## 2.13 Borrowing costs

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

## 2.14 Segment reporting

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

## 2.15 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to



expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

## **2.16 Taxes on income**

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

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

## **2.17 Research and development expenses**

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





## Statement of Changes in Equity for the year ended 31st Mar 2022

₹ in Lakhs

## A. Equity Share Capital

## (1) For the year 2021-22

Balance as at 1-Apr-2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1-Apr-2021	Changes in equity share capital during 2021-22	Balance as at 31-Mar-2022
2414.08	0.00	2414.08	0.00	2414.08

## (2) For the year 2020-21

Balance as at 1-Apr-2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1-Apr-2020	Changes in equity share capital during 2020-21	Balance as at 31-Mar-2021
2414.08	0.00	2414.08	0.00	2414.08

## B. Other Equity

## (1) For the year 2021-22

Particulars	Reserves and Surplus				
	Capital Reserve	Securities Premium	General Reserve	Retained earnings	Total
Balance as at 1-Apr-2021	4.60	305.00	47191.33	121.17	47622.10
Changes in accounting policy or prior period errors	0.00	0.00	0.00	0.00	0.00
Restated balance as at 1-Apr-2021	4.60	305.00	47191.33	121.17	47622.10
Total comprehensive income for the year 2021-22	0.00	0.00	0.00	9175.99	9175.99
Dividends	0.00	0.00	0.00	(1448.39)	(1448.39)
Transfer from Retained earnings	0.00	0.00	7725.00	(7725.00)	0.00
Any other change	0.00	0.00	0.00	0.00	0.00
<b>Balance as at 31-Mar-2022</b>	<b>4.60</b>	<b>305.00</b>	<b>54916.33</b>	<b>123.77</b>	<b>55349.70</b>

## (2) For the year 2020-21

Particulars	Reserves and Surplus				
	Capital Reserve	Securities Premium	General Reserve	Retained earnings	Total
Balance as at 1-Apr-2020	4.60	305.00	43991.33	115.54	44416.47
Changes in accounting policy or prior period errors	0.00	0.00	0.00	0.00	0.00
Restated balance as at 1-Apr-2020	4.60	305.00	43991.33	115.54	44416.47
Total comprehensive income for the year 2020-21	0.00	0.00	0.00	4660.73	4660.73
Dividends	0.00	0.00	0.00	(1455.10)	(1455.10)
Transfer from Retained earnings	0.00	0.00	3200.00	(3200.00)	0.00
Any other change	0.00	0.00	0.00	0.00	0.00
<b>Balance as at 31-Mar-2021</b>	<b>4.60</b>	<b>305.00</b>	<b>47191.33</b>	<b>121.17</b>	<b>47622.10</b>



Name of the Company **M M FORGINGS LIMITED**  
Notes forming part of the financial statements

**Note 3 Fixed Assets**

3.1	Tangible Assets	Gross block						
		Balance as at 1 April, 2021	Additions	Disposals	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31 Mar 2022
		₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
3.1.1	Land	6314.17	678.51					6992.68
3.1.2	Buildings	14315.25	603.24					14918.49
3.1.3	Plant and Equipment	93811.48	7966.04		-275.30	99.03		101601.25
3.1.4	Furniture and Fixtures	222.59	31.21					253.80
3.1.5	Vehicles	639.52	82.21					721.73
3.1.6	Office equipment	1838.88	57.51					1896.39
	<b>Total</b>	117141.89	9418.72	0.00	-275.30	99.03	0.00	126384.34
	<b>Previous year</b>	115008.48	2096.69	0.46	-96.25	133.43	0.00	115008.48

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

3.2	Tangible Assets	Accumulated depreciation and impairment					Net block	
		Balance as at 1 April, 2021	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31 Mar 2022	Balance as at 31 Mar 2022	Balance as at 1 April, 2021
		₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
3.2.1	Land	-	-	-	-	-	6,992.68	6,314.17
3.2.2	Buildings	2,942.81	467.81	-	-	3,410.62	11,507.87	11,372.44
3.2.3	Plant and Equipment	50,110.24	5,455.29	-	-	55,565.53	46,035.72	43,701.24
3.2.4	Furniture and Fixtures	222.59	6.91	-	-	229.50	24.30	-
3.2.5	Vehicles	483.41	34.56	-	-	517.97	203.76	156.11
3.2.6	Office equipment	1,631.65	46.04	-	-	1,677.69	218.70	207.23
	<b>Total</b>	55,390.70	6,010.61	-	-	61,401.31	64,983.03	61,751.19
	<b>Previous year</b>	49,717.91	5,673.25	0.46	-	55,390.70	61,751.19	58,805.73



Name of the Company **M M FORGINGS LIMITED**  
Notes forming part of the financial statements

Particulars	For the year /ear ended 31 M ended	
	₹	₹
<b>3.3</b>		
Depreciation and amortisation relating to continuing operations:		
Depreciation and amortisation for the year on tangible assets as per Note 12A	6,010.61	5,673.25
Depreciation and amortisation for the year on intangible assets as per Note 12B	-	-
Less: Utilised from revaluation reserve	-	-
Depreciation and amortisation relating to discontinuing operations (Refer Note 30.11)	-	-
Depreciation and amortisation relating to continuing operations	6,010.61	5,673.25

**Note 4 Non-current investments**

Particulars	As at 31st Mar 2022			As at 31st Mar 2021		
	Quoted # ₹ in lakhs	Unquoted # ₹ in lakhs	Total ₹ in lakhs	Quoted ₹ in lakhs	Unquoted ₹ in lakhs	Total ₹ in lakhs
Investments (At cost):						
4.1 Trade	NIL	NIL	NIL	NIL	NIL	NIL
4.2 Other investments						
4.2.1 Investment in equity instruments	14.10	3,274.34	3,288.44	14.10	474.34	488.44
- Fully Paid						
<b>Total - Other investments (4.2)</b>	14.10	3,274.34	3,288.44	14.10	474.34	488.44
Less: Provision for diminution in value of investments			-			-
<b>Total</b>			<b>3,288.44</b>			<b>488.44</b>
Aggregate amount of quoted investments			14.10			14.10
Aggregate market value of listed and quoted investments			17.84			24.33

Investments in Unquoted Shares represent investment in wholly owned subsidiary company of Rs.3,250.00 Lakhs



<b>Note 5 Long-term loans and advances</b>	<b>₹ in Lakhs</b>	
<b>Particulars</b>	<b>As at 31st Mar 2022</b>	<b>As at 31st Mar 2021</b>
5.1 Security deposits		
Secured, considered good		
Unsecured, considered good	1,211.88	678.03
Doubtful	-	-
	1,211.88	678.03
Less: Provision for doubtful deposits	-	-
	1,211.88	678.03
5.2 Income Tax	139.21	151.69
5.3 Mat Credit Available	-	923.79
5.4 Balances with government authorities		
Unsecured, considered good		
5.4.1 DVS Industries (P) Limited (Unsecured Considered Good)	8,437.14	8,298.49
5.4.2 Cafoma Autoparts Pvt Ltd (Unsecured Considered Good)	(84.19)	
	8,352.95	8,298.49
<b>Total</b>	<b>9,704.04</b>	<b>10,052.00</b>
Note: Long-term loans and advances - No dues from Directors, Officers of the Company, Firms in which any Director is a partner or any Private Limited Companies in which any Director is a Director However the Loan to subsidiary Company has been given as above under Item 5.4.1		
<b>Note 6 Other non-current assets</b>		
6.1 Long Term Inventories		
(At lower of cost and net realisable value)		
6.1.1 Raw materials	178.09	2.97
6.1.2 Work-in-progress - Steel Forgings	166.61	432.35
6.1.3 Stores & Spares	323.92	302.04
6.1.4 Consumable Tools	-	-
<b>Total</b>	<b>668.62</b>	<b>737.36</b>
6.2 Other Assets		
6.2.1 Sundry Debtors	172.96	191.00
6.2.2 Advance to Suppliers	-	740.15
<b>Total</b>	<b>841.58</b>	<b>1,668.51</b>
<b>Note 7 Inventories</b>		
(At lower of cost and net realisable value)		
7.1 Raw materials	9,938.79	9,815.61
7.2 Work-in-progress - Steel Forgings	8,401.34	6,298.90
7.3 Stores and spares	420.56	398.25
7.4 Consumable Tools	514.45	346.90
<b>Total</b>	<b>19,275.14</b>	<b>16,859.66</b>
<b>Note 8 Trade receivables</b>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	-	-
Unsecured, considered good	16,640.63	12,166.59
Less: Provision for doubtful trade receivables	-	-
<b>Total</b>	<b>16,640.63</b>	<b>12,166.59</b>
Note: Trade Receivables - No dues from Directors, Officers of the Company, Firms in which any Director is a partner or any Private Limited Companies in which any Director is a Director		
<b>Note 9 Cash and cash equivalents</b>	<b>₹ in Lakhs</b>	
<b>Particulars</b>	<b>As at 31st Mar 2022</b>	<b>As at 31st Mar 2021</b>
9.1 Cash on hand	8.65	3.07
9.2 Cheques, drafts on hand	-	-
9.3 Balances with banks	-	-
9.4 Investments in Liquid funds	19,182.55	18,539.58
9.3.1 In current accounts	149.06	9.96
9.3.2 In deposit accounts (Refer Note below)	3,060.61	49.86
<b>Total</b>	<b>22,400.87</b>	<b>18,602.47</b>





Note 10 Short-term loans and advances		₹ in Lakhs		
		As at 31st Mar 2022	As at 31st Mar 2021	
10.1 Loans and advances to employees				
Secured, considered good				
Unsecured, considered good	236.35	212.75		
Doubtful	-	-		
	236.35	212.75		
10.2 Prepaid expenses - Unsecured, considered good	-	-		
10.3 Balances with government authorities - Unsecured, considered good	236.35	212.75		
10.3.1 GST Input credit receivable	123.44	125.13		
10.4 Others				
Secured, considered good				
Unsecured, considered good	195.76	1.26		
Doubtful	-	-		
	195.76	1.26		
	-	-		
	195.76	1.26		
<b>Total</b>	<b>3,082.60</b>	<b>2,858.70</b>		
Note: Short-term loans and advances - No amount is due from any Directors, Other Officers of the Company, Firms in which any Director is a partner, Private Companies in which any Director is a Director				
<b>Note 11 Other current assets</b>				
11.1 Others		-	-	
11.1.1 Insurance claims		8.80	-	
<b>Total</b>		<b>8.80</b>	<b>-</b>	
<b>Note 12 Share capital</b>				
	As at 31st Mar 2022		As at 31st Mar 2021	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
12.1 Authorised				
Equity shares of ₹ 10 each with voting rights	3,00,00,000	3,000.00	3,00,00,000	1,500.00
12.2 Issued				
Equity shares of ₹ 10 each with voting rights	2,41,43,200	2,414.32	2,41,43,200	2,414.32
12.3 Subscribed and fully paid up				
Equity shares of ₹ 10 each with voting rights	2,41,40,800	2,414.08	2,41,40,800	2,414.08
(1) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:				
<b>Particulars</b>	<b>Opening Balance</b>	<b>Buy back</b>	<b>Other changes (give details)</b>	<b>Closing Balance</b>
Equity shares with voting rights				
Year ended 31 Mar, 2022				
- Number of shares	2,41,40,800			2,41,40,800
- Amount ₹ in lakhs 2414.08				
Year ended 31 Mar, 2021				
- Number of shares	2,41,40,800			2,41,40,800
- Amount ₹ in lakhs 2414.08				
(2) Details of shares held by each shareholder holding more than 5% shares:				
<b>Class of Shares</b>	As at 31st Mar 2022		As at 31st Mar 2021	
	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	57,96,000	24.01	57,96,000	24.01
Vidyashankar Krishnan	27,20,240	11.27	27,20,240	11.27
Venkatramanan Krishnan	25,84,960	10.71	25,84,960	10.71
(3) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date.				
<b>Particulars</b>	<b>Aggregate number of shares</b>			
	As at 31st Mar 2022		As at 31st Mar 2021	
Equity shares with voting rights	2,41,40,800		2,41,40,800	
Fully paid up by way of bonus shares	-		-	
4.Details of Shares pledged by Directors	NIL		NIL	



<b>Note 13 Reserves and surplus</b>		<b>₹ in Lakhs</b>					
<b>Particulars</b>	<b>As at 31st Mar 2022</b>	<b>As at 31st Mar 2021</b>					
13.1 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					
13.2 Securities premium account							
Opening balance	305.00	305.00					
Closing balance	305.00	305.00					
13.3 General reserve							
Opening balance	47,191.33	43,991.33					
Add: Transferred from surplus in Statement of Profit and Loss	7,725.00	3,200.00					
Less: Utilised / transferred during the year for:							
Interim Dividend / Dividend Tax							
Closing balance	54,916.33	47,191.33					
13.4 Surplus / (Deficit) in Statement of Profit and Loss							
Opening balance	121.17	115.54					
Add: Profit for the year	9,175.99	4,660.73					
Less: Interim dividend / Dividend Tax							
Dividends proposed to be distributed to equity shareholders Rs.6 per share	1,448.45	1,207.04					
Tax on dividend	-	248.05					
Transferred to: General Reserve	7,725.00	3,200.00					
Closing balance	123.77	121.17					
<b>Total</b>	<b>55,349.70</b>	<b>47,622.10</b>					
<b>Note 14 Long-term borrowings</b>		<b>₹ in Lakhs</b>					
<b>Particulars</b>	<b>As at 31st Mar 2022</b>	<b>As at 31st Mar 2021</b>					
Term Loans From Banks							
Secured	34,618.83	29,732.09					
Unsecured	-	-					
<b>Total</b>	<b>34,618.83</b>	<b>29,732.09</b>					
14.1 Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:							
<b>Particulars</b>	<b>₹ in Lakhs</b>		<b>₹ in Lakhs</b>				
	<b>As at 31st Mar 2022</b>		<b>As at 31st Mar 2021</b>				
	<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>			
Term loans from banks:							
DBS - Loan	5,753.42		7,455.75				
SBI (Formerly SBT)	505.99		2,072.86				
SBI	4,657.93		731.60				
ICICI	10,944.06		12,848.95				
HDFC	13,451.89		10,510.93				
Federal	3,625.11		4,388.34				
SCB	4,554.00		-				
	43,492.40	-	38,008.43	-			
Less: Amounts due within 12 Months	8,873.57		8,276.34				
Total - Term loans from banks	34,618.83		29,732.09				
14.2 Terms of Security / Repayment							
All loans secured by the charge over Fixed Assets of the Company except the lands at Singampunari / Viralimalai.							
14.4 Instalments Payable							
	SBI	DBS	HDFC	Federal	ICICI	SCB	Total
2022 - 23	1,358.02	1,554.81	3,001.36	826.80	1,904.88	227.70	8,873.57
2023 - 24	852.03	1,554.81	3,126.36	1,017.60	1,904.88	910.80	9,366.48
2024 - 25	852.03	1,554.81	3,126.36	1,017.60	1,904.88	910.80	9,366.48
2025 - 26	852.03	1,088.99	1,755.34	763.12	1,904.88	910.80	7,275.16
2026- 27	852.03	-	1,126.36	-	1,904.88	910.80	4,794.07
2027- 28	397.78	-	1,126.36	-	1,419.66	683.10	3,626.90
2028- 29	-	-	189.74	-	-	-	189.74
<b>TOTAL</b>	<b>5,163.92</b>	<b>5,753.42</b>	<b>13,451.88</b>	<b>3,625.12</b>	<b>10,944.06</b>	<b>4,554.00</b>	<b>43,492.40</b>
Details of long-term borrowings guaranteed by some of the directors or others: <b>NIL</b>							
For the current maturities of long-term borrowings, refer items 9.1 and 9.2 - Other current liabilities.							
Default, if any, in the servicing / repayment of the loans. <span style="float: right;">NIL</span> <span style="float: right;">NIL</span>							



<b>Note 15 Other long-term liabilities</b>		<b>₹ in Lakhs</b>	
<b>Particulars</b>	<b>As at 31st Mar 2022</b>	<b>As at 31st Mar 2021</b>	
15.1 Trade Payables			
Other than acceptances	-	-	
15.2 Others			
Rental Advance Received	190.71	229.35	
Advance from Customers	124.24	75.46	
<b>Total</b>	<b>314.95</b>	<b>304.81</b>	
<b>Note 16 Short-term borrowings</b>		<b>₹ in Lakhs</b>	
<b>Particulars</b>	<b>As at 31st Mar 2022</b>	<b>As at 31st Mar 2021</b>	
16.1 Loans repayable on demand from Banks			
Secured	21,955.14	21,283.37	
Unsecured	2,572.40	2,219.12	
<b>Total</b>	<b>24,527.54</b>	<b>23,502.49</b>	
<b>Note: Details of security for the secured short-term borrowings:</b>			
<b>Particulars</b>	<b>Nature of Security</b>	<b>As at 31st Mar 2022</b>	<b>As at 31st Mar 2021</b>
Loans repayable on demand from Banks	Hypothecation of Inventory/ Book Debts Rate of Interest 5.80%	24,527.54	23,502.49
Total - from banks		24,527.54	23,502.49
Default, if any, in the servicing / repayment of the loans.		NIL	NIL
<b>Note 17 Trade payables</b>			
Trade Payables - Other than Acceptances		11,796.82	9,799.06
<b>Total</b>		<b>11,796.82</b>	<b>9,799.06</b>
<b>Note 18 Other current liabilities</b>			
18.1 Current maturities of long-term debt - Secured		8,873.57	8,276.34
18.2 Unpaid dividends		53.71	103.65
<b>Total</b>		<b>8,927.28</b>	<b>8,379.99</b>
Note : Current maturities of long-term debt (Refer Notes 5.1 and 5.4 - Long Term Borrowings for details of Security)			
<b>Note 19 Short Term Provisions</b>			
19.1 Provision for tax (net of advance tax )		999.52	-
(As At 31 Mar 2022 ₹ )			
(As At 31 Mar 2021 ₹ )			
19.2 Provision for proposed equity dividend		1,448.45	1,207.04
19.3 Provision for tax on proposed dividend		-	248.05
<b>Total</b>		<b>2,447.97</b>	<b>1,455.09</b>
<b>Note 20 Revenue from operations</b>		<b>₹ in Lakhs</b>	
<b>Particulars</b>	<b>As at 31st Mar 2022</b>	<b>As at 31st Mar 2021</b>	
20.1 Sale of products	1,08,798.03	71,146.75	
20.2 Other operating revenues	1,666.45	1,418.03	
<b>Total</b>	<b>1,10,464.48</b>	<b>72,564.78</b>	
20.1.1 Sale of products comprises			
<u>Manufactured goods</u>			
Steel Forgings	1,08,798.03	71,146.75	
<b>Total - Sale of products</b>	<b>1,08,798.03</b>	<b>71,146.75</b>	
20.2.1 Other operating revenues			
Power Generated	1,666.45	1,418.03	
<b>Total - Other operating revenues</b>	<b>1,666.45</b>	<b>1,418.03</b>	
<b>Note 21 Other income</b>			
21.1 Interest income from			
Bank Deposits	498.79	443.18	
21.2 Dividend income: from long-term investments	831.98	1,357.55	
21.3 Miscellaneous Income	526.45	358.45	
<b>Total</b>	<b>1,857.22</b>	<b>2,159.18</b>	
<b>Note 22 Cost of materials consumed</b>			
Opening stock	9,818.58	5,102.87	
Add: Purchases	52,579.17	37,868.20	
	<b>62,397.75</b>	<b>42,971.07</b>	
Less: Closing stock	10,116.88	9,818.58	
<b>Cost of material consumed</b>	<b>52,280.87</b>	<b>33,152.49</b>	
Material consumed comprises: Raw material Steel Billets			



<b>Note 23 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		<b>As at 31st Mar 2022</b>	<b>As at 31st Mar 2021</b>	
<b>Inventories at the end of the year:</b>				
Work-in-progress		8,567.95	6,731.25	
Forgings				
<b>Inventories at the beginning of the year:</b>				
Work-in-progress		6,731.25	8,273.09	
Forgings				
<b>Net (increase) / decrease</b>		<b>-1,836.70</b>	<b>1,541.84</b>	
<b>Note 24 Employee benefits expense</b>				
24.1 Salaries and wages		8,543.80	6,213.60	
24.2 Managerial Remuneration		1,406.51	606.65	
24.2 Contributions to provident and other funds		420.21	330.07	
24.3 Staff		30.33	31.48	
24.4 Staff welfare expenses		871.67	467.85	
<b>Total</b>		<b>11,272.52</b>	<b>7,649.65</b>	
<b>Note 25 Finance costs</b>				
Interest expense on: Borrowings		2,731.18	3,122.28	
<b>Total</b>		<b>2,731.18</b>	<b>3,122.28</b>	
<b>Note 26 Other expenses</b>		<b>₹ in Lakhs</b>		
<b>Particulars</b>	<b>₹ in Lakhs</b>		<b>₹ in Lakhs</b>	
	<b>As at 31st Mar 2022</b>	<b>As at 31st Mar 2021</b>	<b>As at 31st Mar 2022</b>	<b>As at 31st Mar 2021</b>
26.1 Consumption of Stores			2,645.80	1,613.75
26.2 Consumption of Tools			3,314.84	2,132.40
26.3 Outside Labour			931.49	644.29
26.4 Power and fuel			9,200.99	6,961.19
26.5 Repairs and Maintenance				
26.5.1 Buildings	97.63	87.88		
26.5.2 Machinery	1,001.67	692.81		
26.5.3 Machinery Spares	1,576.49	815.14	2,675.79	1,595.83
26.6 Selling Expenses			1,864.80	1,162.01
26.7 Export Expenses				
26.7.1 Packing & Forwarding	954.48	638.09		
26.7.2 Freight	4,716.19	1,905.64		
26.7.3 Commission	-	-		
26.7.4 Warehousing Charges	490.17	152.25		
26.7.5 Others	126.63	78.26	6,287.47	2,774.24
26.8 Loss on fixed assets sold / scrapped / written off			-	-
26.9 Miscellaneous expenses			1,652.63	1,207.68
<b>Total</b>			<b>28,573.81</b>	<b>18,091.39</b>
Miscellaneous expenses includes payment to auditors comprising of :				
As auditors - statutory audit			13.38	15.15
For taxation matters			1.50	1.35
Reimbursement of Expenses / Service Tax			-	0.74
<b>Total</b>			<b>14.88</b>	<b>17.24</b>
<b>Note 27 Additional information to the financial statements</b>		<b>₹ in Lakhs</b>		
<b>Particulars</b>		<b>As at 31st Mar 2022</b>	<b>As at 31st Mar 2021</b>	
27.1 <b>Contingent liabilities and commitments (to the extent not provided for)</b>				
27.1.1 Contingent Liabilities - Foreign Bills Discounted with Bank		623.57	246.71	
<b>Note 28 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>		<b>NIL</b>	<b>NIL</b>	


**Notes forming part of the financial statements**
**Note 29 Disclosures**

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:

	As at 31st Mar 2022	As at 31st Mar 2021
	8,352.95	8,298.49

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

**Other Directorship**
**Other**
**Shri N. Srinivasan**

Anna Investments Private Ltd

Chairman

The India  
Cements Ltd.

Stakeholders /  
Relationship  
Committee

Member

Coromandel Electric Co. Ltd

Chairman

Coromandel Sugars Ltd

Chairman

E.W.Stevens & Co. Private Ltd

Chairman

EWS Finance & Invst Ltd

Chairman

ICL Financial Services Ltd

Chairman

ICL Securities Ltd

Chairman

Prince Holdings (Madras) P Ltd

Chairman

Rupa Holdings P Ltd

Chairman

Thambi Investments Private Ltd

Chairman

The India Cements Limited

Vice Chairman & Managing Director

Chelsea Holdings and Properties Ltd, UK

Director

**Shri V. Vaidyanathan**

Vision Research Foundation

Board Member

**Shri A.Gopalakrishnan**

Directorship in Other Companies

NIL

**Smt. Kavita Vijay**

A.V.Thomas & Co Ltd

Director

AVT Natural Products Limited

Director

Neelamalai Agro Industries Limited

Director

Universal Legal

Partner

**Smt. Sumita Vidyashankar**

Sivasundar Private Limited

Director

Synmax Consultants & Trading Private Limited

Director

Suvarchas Vidyut Private Limited

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

Adi Sankara Trust

Director

Suvarchas Vidyut Private Limited

Director

**Shri Venkatramanan Krishnan**

Synmax Consultants & Trading Private Limited

Director

Sivasundar Private Limited

Director

Baylife Medicare Private Ltd

Director

Unique Technologies

Partner

**DETAILS OF PAYMENTS MADE TO RELATED PERSONS:**

in ₹

K. Vidhyashankar

6,84,04,262

K. Venkatramanan

6,83,96,678

V. Vaidyanathan

5,02,500

N. Srinivasan

67,500

A. Gopalakrishnan

5,10,000

Kavitha Vijay

5,00,000

Advance to DVS Industries (P) Limited - Subsidiary

(-1,38,63,895

Universal Legal

2,05,000



Particulars		As at 31st Mar 2022	As at 31st Mar 2021		
29.3	The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below: <b>Receivable/ (Payable) in Foreign Currency</b>	Receivable/ (Payable)	Receivable/ (Payable)		
		NIL	NIL		
Particulars		For the year ended 31 Mar 2022	For the Year ended 31 Mar 2021		
29.4	<b>Value of imports calculated on CIF basis</b>				
	Raw materials	-	5.01		
	Consumable Stores / Tools	36.14	19.00		
	Machinery Spares	-	5.88		
	Capital goods	1,447.95	797.47		
29.5	<b>Expenditure in foreign currency</b>				
	Travelling	49.85	92.48		
	Export Expenses	383.51	719.86		
	Staff Training	8.62	12.39		
29.6	<b>Details of consumption of imported and indigenous items</b>				
		As at 31st Mar 2022		As at 31st Mar 2021	
	<u>Imported</u>	₹ in Lakhs	%	₹ in Lakhs	%
	Raw materials	-	0.00%	5.01	0.02%
	Consumable Stores / Tools	36.14	0.61%	19.00	0.51%
	Machinery Spares	-	0.00%	5.88	0.72%
		<b>36.14</b>		<b>29.89</b>	
	<u>Indigenous</u>				
	Raw materials	52,280.87	100.00%	33,147.48	99.98%
	Consumable Stores / Tools	5,924.50	99.39%	3,727.15	99.49%
	Machinery Spares	1,576.49	100.00%	809.26	99.28%
		<b>59781.86</b>		<b>37,683.89</b>	
Particulars		For the year ended 31 Mar 2022	For the Year ended 31 Mar 2021		
29.7	<b>Earnings in foreign exchange</b> Export of goods calculated on CIF basis	53,194.97	34,578.25		
<b>Note 30 Disclosures under Accounting Standards (contd.)</b>					
Particulars		As at 31st Mar 2022	As at 31st Mar 2021		
30.1	<b>Details of government grants</b>	Nil	Nil		
30.2	<b>Details of borrowing costs capitalised</b> Borrowing costs capitalised during the year - as fixed assets / intangible assets / capital work-in-progress	99.03 -	133.43 -		
<b>30.3 - Claims against the Company not acknowledged as debts</b>					
<b>Note 31 Deferred Tax Liability</b>					
Tax Effect of Items constituting the same:- on difference between book balance and tax balance of Fixed Assets		3,517.13	3,088.27		



CASH FLOW STATEMENT FOR COMPANIES OTHER THAN FINANCE COMPANIES			
Name of the Company M M FORGINGS LIMITED			
Cash Flow Statement for the year ended 31st Mar 2022		₹ in Lakhs	
Particulars	For the year ended 31 Mar 2022	For the Year ended 31 Mar 2021	
<b>A. Cash flow from operating activities</b>			
Net Profit / (Loss) before extraordinary items and tax		13,289.53	5,493.08
<i>Adjustments for:</i>			
Depreciation and amortisation	6,010.61		5,673.25
(Profit) / Loss on sale / write off of assets	-0.13		-0.03
Finance costs	2,731.18		3,122.28
Interest income	-498.79		-443.18
Dividend income	-831.98		-1,357.55
		7,410.89	6,994.77
Operating Profit / (Loss) before working capital changes		20,700.42	12,487.85
<i>Changes in working capital:</i>			
<i>Adjustments for (increase) / decrease in operating assets:</i>			
Inventories	-2,415.47		-3,787.07
Trade receivables	-4,474.04		-10,920.36
Short-term loans and advances	-223.90		-494.34
Long-term loans and advances	402.42		232.48
Other current assets	41.15		-2.30
Other non-current assets	826.93		371.16
<i>Adjustments for increase/(decrease) in operating liabilities</i>			
Trade payables	1,997.76		2,835.82
Other current liabilities	547.29		831.61
Other long-term liabilities	10.14		13.31
		-3,287.72	-10,919.69
Cash generated from operations		17,412.70	1,568.16
Net income tax (paid) / refunds		-2,684.37	-545.11
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>14,728.33</b>	<b>1,023.05</b>
<b>B. Cash flow from investing activities</b>			
Capital expenditure on fixed assets, including capital		-11,131.80	-3,009.17
Proceeds from sale of fixed assets		0.13	0.03
Long Term Investments		-2,800.00	0.00
Interest received		498.79	443.18
Dividend received		831.98	1,357.55
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>-12,600.90</b>	<b>-1,208.41</b>
<b>C. Cash flow from financing activities</b>			
Proceeds from long-term borrowings( Net)		14,488.73	2,000.00
Repayment of long-term borrowings(Net)		-9,601.99	-5,737.97
Advance to Subsidiary Company		-54.46	683.06
Increase / (decrease) in working capital borrowings		1,025.05	7,838.23
Repayment of other short-term borrowings			
Finance cost		-2,731.18	-3,122.28
Interim Dividend / Tax on Dividend		0.00	
Dividend paid		-1,207.04	
Tax on dividend		-248.05	-210.89
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>1,671.06</b>	<b>1,450.15</b>
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>		<b>3,798.49</b>	<b>1,264.79</b>
Cash and cash equivalents at the beginning of the year		18,602.38	17,337.59
Cash and cash equivalents at the end of the year		22,400.87	18,602.38
		3,798.49	1,264.79

In terms of our Report of even date.

For GRNK & Co.  
Chartered Accountants  
FRN 016847S

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

K. Venkatramanan  
Joint Managing Director  
(DIN: 00823317)

V.Vaidyanathan  
Director  
(DIN: 00081792)

G. R. Naresh Kumar  
Partner  
Membership no. 215577

A. Gopalakrishnan  
Director  
(DIN: 06414546)

Kavitha Vijay  
Director  
(DIN: 01047261)

Sumita Vidyashankar  
Director  
(DIN: 00059062)

Place: Chennai  
Date: 25 May 2022

J.Sumathi  
Company Secretary

R.Venkatakrisnan  
Chief Financial Officer

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CONSOLIDATED  
FINANCIAL STATEMENT 2021 - 22

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**INDEPENDENT AUDITORS' REPORT**  
**To the Members of M M Forgings Limited**  
**Report on the Audit of Consolidated Financial Statements**

### Opinion

We have audited the accompanying consolidated financial statements of M M Forgings Limited (hereinafter referred to as “the Company”) and its subsidiaries (the Company and its subsidiaries together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at **March 31, 2022**, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (hereinafter referred to as “the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at **March 31, 2022** and its consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor’s Response
	NIL	



## **Information other than the financial statements and Auditors' Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

## **Management's Responsibilities for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of presentation of the consolidated financial statements by the Directors of the Company.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective companies or to cease operations, or has no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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



or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements. We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report



unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.
2. As required by Section 143(3) of the Act, based on our audit, 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 purposes of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;
  - e) On the basis of the written representations received from the Directors of the Company as on March 31, 2022 taken on record by the Board of Directors of the Company and our reports as statutory auditors of the subsidiary companies, none of the Directors of the Group companies incorporated in India is disqualified as on **March 31, 2022** from being appointed as a Director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls system with reference to financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness internal financial controls with reference to financial statements of those companies.
  - g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.

- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:



- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.
- iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of its subsidiaries to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of its subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
 (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of its subsidiaries from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or any of its subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
 (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in the consolidated financial statements
  - i. Interim Dividend was declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
  - ii. The Board of Directors of the Company has declared interim dividend for the year. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

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

**G.R. NARESH KUMAR**  
**Partner**

Membership no. 215577  
 UDIN: 22215577AKHLMX1792

Place: Tiruchirapalli  
 Date: 25 May 2022



**G R N K & CO**  
**CHARTERED ACCOUNTANTS**

PHONE: (0431) 4012931  
26/ 5 AKILA LANDS  
GANAPATHY COLONY SOUTH  
T.V.KOIL, TIRUCHY - 620 005

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## **Annexure A to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting with reference to financial statements, of M.M Forgings Ltd ('the Company') and its subsidiary companies, which are companies incorporated in India, as of **31<sup>st</sup> March 2022**, in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditor's Responsibility**

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

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



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control systems over financial reporting with reference to financial statements, of the Company and its subsidiary companies, which are companies incorporated in India.

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have in all material respects, an adequate internal financial control system over financial reporting with reference to financial statements and such internal financial controls over financial reporting with reference to financial statements were operating effectively as at **31<sup>st</sup> March 2022**, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**G.R. NARESH KUMAR**  
**Partner**  
Membership no. 215577  
UDIN: 22215577AKHLMX1792

Place: Tiruchirapalli  
Date: 25 May 2022



Consolidated Balance Sheet as at 31 March 2022				₹ in Lakhs	
Particulars		Note No.	As at 31 March 2022	As at 31 March 2021	
<b>A</b>	<b>ASSETS</b>				
1	<b>Non-current Assets</b>				
1.1	Property, Plant and Equipment				
1.1.1	Property, Plant and Equipment	3	70,816.95	67,543.55	
1.1.2	Capital work-in-progress		3,638.08	1,746.75	
			74,455.03	69,290.30	
1.2	Financial Assets				
1.2.1	(i) Non-current investments	4	2,229.14	329.14	
1.2.2	(ii) Long-term loans and advances	5	1,340.27	1,803.65	
1.3	Other non-current assets	6	1,519.96	2,383.96	
			5,089.37	4,516.75	
2	<b>Current Assets</b>				
2.1	Inventories	7	20,380.03	17,890.41	
2.2	Financial Assets				
2.2.1	(i) Trade receivables	8	15,684.86	11,553.94	
2.2.2	(ii) Cash and cash equivalents	9	22,601.50	18,683.35	
2.2.3	(iii) Bank balances other than (ii) above		53.71	103.65	
2.2.4	(iv) Short-term loans and advances	10	3,151.78	2,928.39	
2.3	Other current assets	11	8.80	-	
			61,880.68	51,159.74	
			<b>1,41,425.08</b>	<b>1,24,966.79</b>	
<b>B</b>	<b>EQUITY AND LIABILITIES</b>				
1	<b>Equity</b>				
1.1	Equity Share capital	12	2,414.08	2,414.08	
1.2	Other Equity	13	53,540.83	46,302.05	
			55,954.91	48,716.13	
2	<b>Non-current liabilities</b>				
2.1	Financial liabilities				
2.1.1	(i) Long-term borrowings	14	35,055.26	29,732.09	
2.2	Deferred tax liabilities (net)		2,836.31	2,722.84	
2.3	Other long-term liabilities	15	357.73	324.57	
			38,249.30	32,779.50	
3	<b>Current liabilities</b>				
3.1	Financial liabilities				
3.1.1	(i) Short-term borrowings	16	24,583.52	23,502.49	
3.1.2	(ii) Trade payables				
	(A) total outstanding dues of micro enterprises and small enterprises; and	17	-	-	
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	17	11,261.80	10,133.59	
3.2	Other current liabilities	18	8,927.28	8,379.99	
3.3	Short-term provisions	19	2,448.27	1,455.09	
			47,220.87	43,471.16	
	<b>TOTAL</b>		<b>1,41,425.08</b>	<b>1,24,966.79</b>	

See accompanying notes forming part of the financial statements

In terms of our Report of even date.

For GRNK & Co.  
Chartered Accountants  
FRN 016847S

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

K. Venkatramanan  
Joint Managing Director  
(DIN: 00823317)

V.Vaidyanathan  
Director  
(DIN: 00081792)

G. R. Naresh Kumar  
Partner  
Membership no. 215577

A. Gopalakrishnan  
Director  
(DIN: 06414546)

Kavitha Vijay  
Director  
(DIN: 01047261)

Sumita Vidyashankar  
Director  
(DIN: 00059062)

Place: Chennai  
Date: 25 May 2022

J.Sumathi  
Company Secretary

R.Venkatakrisnan  
Chief Financial Officer





Consolidated Profit and Loss Account for the year ended 31st March 2022			
		₹ in Lakhs	
Particulars	Note No.	For the year ended 31 Mar 2022	For the year ended 31 Mar 2022
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations	20	1,13,963.12	75,209.35
2 Other income	21	1,423.37	1,772.55
3 <b>Total Income (1+2)</b>		<b>1,15,386.49</b>	<b>76,981.90</b>
4 <b>Expenses</b>			
4.1 Cost of materials consumed	22	52,533.67	32,759.16
4.2 Changes in inventories of Finished Goods / Work-In-Process	23	-2,052.76	1,555.39
4.3 Employee benefits expense	24	12,438.45	8,641.34
4.4 Finance costs	25	2,772.62	3,213.46
4.5 Depreciation and amortisation Expenses	3.3	6,776.59	6,458.40
4.6 Other expenses	26	30,179.50	19,387.23
<b>Total expenses (4)</b>		<b>1,02,648.07</b>	<b>72,014.98</b>
5 <b>Profit / (Loss) before exceptional items and tax (3 - 4)</b>		12,738.42	4,966.92
6 <b>Exceptional items</b>			
Profit on Sale of Business Asset		-	-
Profit on Sale of Other Assets		147.27	196.47
7 <b>Profit / (Loss) before tax (5 ± 6)</b>		12,885.69	5,163.39
8 <b>Tax expense:</b>			
8.1 Current tax expense for current year		2,599.52	725.00
8.2 Tax expense relating to prior years		72.55	-
8.3 Net current tax expense		2,672.07	725.00
8.4 Mat Credit entitlement		-	-
8.5 Deferred tax and Mat Liability /(Asset)		1,114.08	-167.53
		3,786.15	557.47
9 <b>Profit / (Loss) from continuing operations (7 ± 8)</b>		<b>9,099.54</b>	<b>4,605.92</b>
<b>B DISCONTINUED OPERATIONS</b>			
10 Profit / (Loss) from discontinued operations		-	-
11 Tax expenses of discontinued operations		-	-
12 <b>Profit / (Loss) from discontinued operations (10 ± 11)</b>		-	-
<b>C TOTAL OPERATIONS</b>		<b>9,099.54</b>	<b>4,605.92</b>
13 <b>Profit / (Loss) for the year (11 ± 12)</b>		<b>9,099.54</b>	<b>4,605.92</b>
14 Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other Comprehensive Income for the year, net of tax		-	-
15 <b>Total Comprehensive Income for the year (13 + 14) comprising Profit/ (Loss) and Other Comprehensive Income for the year</b>		<b>9,099.54</b>	<b>4,605.92</b>
16 <b>Earnings per share (of Rs. 10 /- each):</b>			
16.1 Basic			
16.1.1 Continuing operations		37.69	19.08
16.1.2 Discontinued operations		-	-
16.1.3 Total operations		37.69	19.08
16.2 Diluted			
16.2.1 Continuing operations		37.69	19.08
16.2.2 Discontinued operations		-	-
16.2.3 Total operations		37.69	19.08

See accompanying notes forming part of the financial statements

In terms of our Report of even date.

For GRNK & Co.  
Chartered Accountants  
FRN 016847S

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

K. Venkatramanan  
Joint Managing Director  
(DIN: 00823317)

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Partner  
Membership no. 215577

A. Gopalakrishnan  
Director  
(DIN: 06414546)

Kavitha Vijay  
Director  
(DIN: 01047261)

Sumita Vidyashankar  
Director  
(DIN: 00059062)

Place: Chennai  
Date: 25 May 2022

J.Sumathi  
Company Secretary

R.Venkatakrishnan  
Chief Financial Officer



## Notes forming part of the consolidated financial statements

### 1 Corporate information

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

### 2 Significant accounting policies followed by the Company: -

#### 2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. Sales does not include GST.

#### 2.2 Use of estimates

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

#### 2.3 Inventories

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

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

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

#### 2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals



of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

## 2.6 Depreciation and amortisation

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

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

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

The estimated useful life of assets are as follows:

### Particulars

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

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

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



Statements upon sale or retirement of the Asset and the resultant Gains or Losses are recognised in the Statement of Profit and Loss. Assets to be disposed-off are reported at the lower of the carrying value or the fair value less cost to sell.

## 2.7 Revenue recognition

### Sale of goods

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

## 2.8 Other income

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

## 2.9 Tangible fixed assets

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

### Capital work-in-progress:

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

## 2.10 Foreign currency transactions and translations

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

### Measurement of foreign currency monetary items at the Balance Sheet date

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

### Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. The amount capitalised in the current year is ₹ -275.30 Lakhs (Last Year ₹ 757.08 Lakhs).



### Accounting of forward contracts

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

### **2.11 Investments**

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

### **2.12 Employee benefits**

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

#### Defined contribution plans

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

#### Defined benefit plans

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

#### Short-term employee benefits

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

### **2.13 Borrowing costs**

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

### **2.14 Segment reporting**

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



## 2.15 Earnings per share

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

## 2.16 Taxes on income

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

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

## 2.17 Research and development expenses

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



Consolidated financials of M M FORGINGS LIMITED  
Statement of Changes in Equity for the year ended 31st Mar 2022

₹ in Lakhs

## A. Equity Share Capital

## (1) For the year 2021-22

Balance as at 1-Apr-2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1-Apr-2021	Changes in equity share capital during 2021-22	Balance as at 31-Mar-2022
2414.08	0.00	2414.08	0.00	2414.08

## (2) For the year 2020-21

Balance as at 1-Apr-2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1-Apr-2020	Changes in equity share capital during 2020-21	Balance as at 31-Mar-2021
2414.08	0.00	2414.08	0.00	2414.08

## B. Other Equity

## (1) For the year 2021-22

Particulars	Reserves and Surplus				
	Capital Reserve	Securities Premium	General Reserve	Retained earnings	Total
Balance as at 1-Apr-2021	4.60	324.40	47692.05	(1719.00)	46302.05
Changes in accounting policy or prior period errors	0.00	0.00	0.00	0.00	0.00
Restated balance as at 1-Apr-2021	4.60	324.40	47692.05	(1719.00)	46302.05
Total comprehensive income for the year 2021-22	0.00	0.00	0.00	9099.22	9099.22
Transfer from the new subsidiary company	15.00	0.00	707.63	(1134.62)	(411.99)
Dividends	0.00	0.00	0.00	(1448.45)	(1448.45)
Transfer from Retained earnings	0.00	0.00	7725.00	(7725.00)	0.00
Any other change	0.00	0.00	0.00	0.00	0.00
<b>Balance as at 31-Mar-2022</b>	<b>19.60</b>	<b>324.40</b>	<b>56124.68</b>	<b>(2927.85)</b>	<b>53540.83</b>

## (2) For the year 2020-21

Particulars	Reserves and Surplus				
	Capital Reserve	Securities Premium	General Reserve	Retained earnings	Total
Balance as at 1-Apr-2020	4.60	324.40	44492.05	(1734.67)	43086.38
Changes in accounting policy or prior period errors	0.00	0.00	0.00	0.00	0.00
Restated balance as at 1-Apr-2020	4.60	324.40	44492.05	(1734.67)	43086.38
Total comprehensive income for the year 2020-21	0.00	0.00	0.00	4670.70	4670.70
Dividends	0.00	0.00	0.00	(1455.10)	(1455.10)
Transfer from Retained earnings	0.00	0.00	3200.00	(3200.00)	0.00
Any other change	0.00	0.00	0.00	0.07	0.07
<b>Balance as at 31-Mar-2021</b>	<b>4.60</b>	<b>324.40</b>	<b>47692.05</b>	<b>(1719.00)</b>	<b>46302.05</b>




**Note 3 Property, Plant and Equipment**

3.1 Tangible Assets	Gross block						
	Balance as at 1 April, 2021	Additions	Disposals	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31 Mar 2022
	₹	₹	₹	₹	₹	₹	₹
3.1.1 Land	6,472.75	678.51	-	-	-	2.08	7,151.26
3.1.2 Buildings	15,599.48	611.03	-	-	-	393.53	16,210.51
3.1.3 Plant and Equipment	1,06,044.09	8,125.32	285.37	(275.30)	99.03	3,189.57	1,13,707.77
3.1.4 Furniture and Fixtures	303.33	31.65	-	-	-	24.92	334.98
3.1.5 Vehicles	885.36	108.97	2.16	-	-	26.47	992.17
3.1.6 Office equipment	1,990.55	67.25	-	-	-	25.37	2,057.80
3.1.7 Goodwill	265.68	-	-	-	-	-	265.68
<b>Total</b>	1,31,561.24	9,622.73	287.53	(275.30)	99.03	3,661.94	1,40,720.17
<b>Previous year</b>	1,22,988.04	2,776.78	199.42	(96.25)	5,098.57	5,949.72	1,26,585.71

All the Assets are Free Hold except leasehold land at Lucknow and land at Rudrapur for Subsidiary

**Note 3 Property, Plant and Equipment (contd.)**

3.2 Tangible Assets	Accumulated depreciation and impairment				Net block		
	Balance as at 1 April, 2021	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31 Mar 2022	Balance as at 1 April, 2021	Balance as at 31 Mar 2022
	₹	₹	₹	₹	₹	₹	₹
3.2.1 Land	-	-	-	-	-	6,472.75	6,472.75
3.2.2 Buildings	3,459.31	511.07	-	-	3,970.38	12,140.17	12,140.17
3.2.3 Plant and Equipment	57,082.52	6,156.81	178.14	-	63,061.19	48,961.57	48,961.57
3.2.4 Furniture and Fixtures	296.80	8.87	-	-	305.67	6.53	6.53
3.2.5 Vehicles	697.58	49.35	2.05	-	744.88	187.78	187.78
3.2.6 Office equipment	1,770.61	50.49	-	-	1,821.10	219.94	219.94
3.2.7 Goodwill	-	-	-	-	-	265.68	265.68
<b>Total</b>	63,306.82	6,776.59	180.19	-	69,903.22	68,254.42	68,254.42
<b>Previous year</b>	56,958.37	6,458.40	109.94	-	63,306.83	68,411.85	72,027.00



3.3 Depreciation and amortisation relating to continuing operations:		
Particulars	For the year ended 31 Mar 2022	For the year ended 31 Mar 2021
	₹	₹
Depreciation and amortisation for the year on tangible assets	6,776.59	6,458.40
Depreciation and amortisation for the year on intangible assets	-	-
Less: Utilised from revaluation reserve	-	-
Depreciation and amortisation relating to continuing operations	6,776.59	6,458.40

#### Note 4 Non-current investments

Particulars	As at 31 March 2022		As at 31 March 2021	
	Quoted # ₹	Unquoted # ₹	Quoted ₹	Unquoted ₹
Investments (At cost):				
4.1 Trade	NIL	NIL	NIL	NIL
4.2 Other investments	14.10	2,215.04	14.10	315.04
4.2.1 instruments - Fully Paid				
<b>Total - Other investments (4.2)</b>	14.10	2,215.04	14.10	315.04
Less: Provision for diminution in value of investments				
<b>Total</b>				
Aggregate amount of quoted investments		2,229.14		329.14
Aggregate market value of listed and quoted investments		14.10		14.10
		21.62		36.12



<b>Note 5 Long-term loans and advances</b>		₹ in Lakhs	
<b>Particulars</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>	
5.1 Security deposits			
Secured, considered good			
Unsecured, considered good	1,073.45	697.28	
Doubtful	15.67	-	
	1,089.12	697.28	
Less: Provision for doubtful	-	-	
	1,089.12	697.28	
5.2 Advance Income Tax	176.45	162.68	
5.3 Mat Credit Available	19.90	943.69	
5.4 Balances with government			
Unsecured, considered good			
5.4.1 DVS Industries (P) Limited	54.80	-	
5.4.2 Cafoma Autoparts Pvt Ltd (Unsecured Considered Good)	-	-	
	54.80	-	
<b>Total</b>	<b>1,340.27</b>	<b>1,803.65</b>	
Note: Long-term loans and advances - No dues from Directors, Officers of the Company, Firms in which any Director is a partner or any Private Limited Companies in which any Director is a Director			
<b>Note 6 Other non-current assets</b>			
6.1 Long Term Inventories			
(At lower of cost and net realisable value)			
6.1.1 Raw materials	178.09	2.97	
6.1.2 Work-in-progress - Steel Forgings	185.59	432.35	
6.1.3 Stores & Spares	323.92	302.04	
6.1.4 Consumable Tools	-	-	
<b>Total</b>	<b>687.60</b>	<b>737.36</b>	
6.2 Other Assets			
6.2.1 Sundry Debtors	538.38	607.89	
6.2.2 Advance to Suppliers	293.98	1,038.71	
6.2.3 Insurance claims	-	-	
<b>Total</b>	<b>1,519.96</b>	<b>2,383.96</b>	
<b>Note 7 Inventories</b>			
(At lower of cost and net realisable value)			
7.1 Raw materials	10,392.78	10,445.06	
7.2 Work-in-progress - Steel Forgings	8,903.70	6,543.63	
7.3 Stores and spares	487.06	473.81	
7.4 Consumable Tools	596.49	427.91	
<b>Total</b>	<b>20,380.03</b>	<b>17,890.41</b>	
<b>Note 8 Trade receivables</b>			
Trade receivables outstanding for a period exceeding six months from the date they were due for payment #			
Secured, considered good	202.51	-	
Unsecured, considered good	15,482.35	11,553.94	
Doubtful	-	-	
	15,684.86	11,553.94	
Less: Provision for doubtful trade receivables	-	-	
<b>Total</b>	<b>15,684.86</b>	<b>11,553.94</b>	
Note: Trade Receivables - No dues from Directors, Officers of the Company, Firms in which any Director is a partner or any Private Limited Companies in which any Director is a Director			
<b>Note 9 Cash and cash equivalents</b>			
<b>Particulars</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>	
9.1 Cash on hand	63.94	53.36	
9.2 Cheques, drafts on hand	-	-	
9.3 Investments in Liquid funds	-	-	
9.4 Balances with banks	19,182.55	18,539.58	
9.4.1 In current accounts	289.43	35.85	
9.4.2 In deposit accounts (Refer Note below)	3,065.58	54.56	
<b>Total</b>	<b>22,601.50</b>	<b>18,683.35</b>	



<b>Note 10 Short-term loans and advances</b>				
10.1 Loans and advances to employees				
Secured, considered good				
Unsecured, considered good		241.18		215.64
Doubtful		-		-
		241.18		215.64
Less: Provision for doubtful loans and advances		-		-
		241.18		215.64
10.2 Prepaid expenses - Unsecured, considered good		123.44		125.13
10.3 Balances with government authorities - Unsecured, considered good				
10.3.1 GST credit receivable		2,560.02		2,586.36
10.4 Others				
Secured, considered good		-		-
Unsecured, considered good		282.67		1.26
Doubtful		28.68		-
		253.99		1.26
Less: Provision for other doubtful loans and advances		-		-
		<b>253.99</b>		<b>1.26</b>
	<b>Total</b>	<b>3,178.63</b>		<b>2,928.39</b>
Note: Short-term loans and advances - No amount is due from any Directors, Other Officers of the Company, Firms in which any Director is a partner, Private Companies in which any Director is a Director				
<b>Note 11 Other current assets</b>				
11.1 Others		-		-
11.1.1 Insurance claims		8.80		-
	<b>Total</b>	<b>8.80</b>		<b>-</b>
<b>Note 12 Share capital</b>				
Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
12.1 Authorised				
Equity shares of ₹ 10 each with voting rights	3,00,00,000	3,000.00	3,00,00,000	3,000.00
12.2 Issued				
Equity shares of ₹ 10 each with voting rights	24,43,200	2,414.32	24,43,200	2,414.32
12.12 Subscribed and fully paid up				
Equity shares of ₹ 10 each with voting rights	2,41,40,800	2,414.08	2,41,40,800	2,414.08
(1) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:				
Particulars	Opening Balance	Buy back	Other changes (give details)	Closing Balance
Equity shares with voting rights				
Year ended 31 March, 2022				
- Number of shares	2,41,40,800			2,41,40,800
- Amount ₹ in lakhs 2,414.08				
Year ended 31 March, 2021				
- Number of shares	2,41,40,800			2,41,40,800
- Amount ₹ in lakhs 2,414.08				
(2) Details of shares held by each shareholder holding more than 5% shares:				
Class of Shares	As at 31 March 2022		As at 31 March 2021	
	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	57,96,000	24.01	28,98,000	24.01
Vidyashankar Krishnan	27,20,240	11.27	13,60,120	11.27
Venkatramanan Krishnan	25,84,960	10.71	12,92,480	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 2022	As at 31 March 2021		
Equity shares with voting rights	2,41,40,800	2,41,40,800		
Fully paid up by way of bonus shares	-	-		



<b>Note 13 Other Equity</b>		₹ in Lakhs				
<b>Particulars</b>	<b>As at 31</b>		<b>As at 31</b>			
	<b>March 2022</b>		<b>March 2021</b>			
13.1 Capital reserve						
Opening balance	4.60		4.60			
Add: Additions during the year	15.00		-			
Less: Utilised / transferred during year	-		-			
Closing balance	19.60		4.60			
13.2 Securities premium account						
Opening balance	324.40		324.40			
Closing balance	324.40		324.40			
13.3 General reserve						
Opening balance	47,692.05		44,492.05			
Add: Transferred from surplus in Statement of Profit and Loss	7,725.00		3,200.00			
Less: Utilised / transferred during the year for:						
Interim Dividend / Dividend Tax	707.63		-			
Closing balance	56,124.68		47,692.05			
13.4 Surplus / (Deficit) in Statement of Profit and Loss						
Opening balance	(1,719.00)		(1,734.67)			
Add: Profit for the year and balance transferred from CAFOMA Autoparts Pvt Ltd	7,964.60		4,670.70			
Less: Interim dividend	-		-			
Less: Dividends proposed to be	1,448.45		1,207.04			
Tax on dividend	-		248.05			
Transferred to: General Reserve	7,725.00		3,200.00			
Closing balance	(2,927.85)		(1,719.00)			
<b>Total</b>	<b>53,540.83</b>		<b>46,302.05</b>			
<b>Note 14 Long-term borrowings</b>						
		₹ in Lakhs				
<b>Particulars</b>	<b>As at 31</b>		<b>As at 31</b>			
	<b>March 2022</b>		<b>March 2021</b>			
Term Loans From Banks						
Secured	34,997.44		29,732.09			
Unsecured	57.82		-			
<b>Total</b>	<b>35,055.26</b>		<b>29,732.09</b>			
14.1 Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:						
<b>Particulars</b>	₹ in Lakhs		₹ in Lakhs			
	<b>As at 31</b>		<b>As at 31</b>			
	<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>		
Term loans from banks:						
DBS - Loan	505.99		2,072.86			
SBI (Formerly SBT)	4,657.93		731.60			
SBI	5,753.42		7,455.75			
ICICI	13,451.88		10,510.93			
HDFC	3,625.12		4,388.34			
Federal	10,944.06		12,848.95			
SCB	4,554.00		-			
Others		-		-		
Total - Term loans from banks	43,492.40	-	38,008.43	-		
Less: Amounts due within 12 Months	8,873.57		8,276.34			
Total - Term loans from banks	34,618.83		29,732.09			
14.1.1 Others			-			
14.2 Terms of Security / Repayment						
All loans secured by the charge over Fixed Assets of the Company except the lands at Singampunari / Viralimalai						
14.3 Instalments Payable						
	SBI	HDFC	Federal	DBS	ICICI	Total
2021 - 2022	1,358.02	3,001.36	826.80	1,904.88	227.70	7,318.76
2022 - 2023	852.03	3,126.36	1,017.60	1,904.88	910.80	7,811.67
2023 - 2024	852.03	3,126.36	1,017.60	1,904.88	910.80	7,811.67
2024 - 2025	852.03	1,755.34	763.12	1,904.88	910.80	6,186.17
2025 - 2026	852.03	1,126.36	-	1,904.88	910.80	4,794.07
2025 - 2026	397.78	1,126.36	-	1,419.66	683.10	3,626.90
2026 - 2027	-	189.74	-	-	-	189.74
<b>TOTAL</b>	<b>5,163.92</b>	<b>13,451.88</b>	<b>3,625.12</b>	<b>10,944.06</b>	<b>4,554.00</b>	<b>37,738.98</b>
Details of long-term borrowings guaranteed by some of the directors or others: <b>NIL</b>						
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.						



<b>Note 15 Other long-term liabilities</b>		₹ in Lakhs	
<b>Particulars</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>	
15.1 Trade Payables			
Other than acceptances	-	-	
15.2 Others			
Payables on Purchase of Fixed Assets	26.03	-	
Rental Advance Received	190.71	229.35	
Provision for Gratuity	14.55	14.56	
Advance from Customers	126.44	80.66	
<b>Total</b>	<b>357.73</b>	<b>324.57</b>	
<b>Note 16 Short-term borrowings</b>		₹ in Lakhs	
<b>Particulars</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>	
16.1 Loans repayable on demand			
Secured	22,011.12	21,283.37	
Unsecured	2,572.40	2,219.12	
<b>Total</b>	<b>24,583.52</b>	<b>23,502.49</b>	
<b>Note: Details of security for the secured short-term borrowings:</b>			
<b>Particulars</b>	<b>Nature of Security</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Loans repayable on demand from Banks	Hypothecation of Inventory / Book Debts	24,583.52	23,502.49
	Rate of Interest 5.80%	-	-
Total - from banks		24,583.52	23,502.49
No Default in the Servicing of the facility availed.			
<b>Note 17 Trade payables</b>			
Trade Payables - Other than Acceptances		10,967.82	9,800.63
<b>Total</b>		<b>10,967.82</b>	<b>9,800.63</b>
<b>Note 18 Other current liabilities</b>			
18.1 Current maturities of long-term debt - Secured		8,873.57	8,276.34
18.2 Unpaid dividends		53.71	103.65
<b>Total</b>		<b>8,927.28</b>	<b>8,379.99</b>
Note : Current maturities of long-term debt (Refer Notes 5.1 and 5.4 - Long Term Borrowings for details of Security)			
<b>Note 19 Short Term Provisions</b>			
19.1 Provision for tax (net of advance tax ) (As At 31 Mar 2022 ₹ 16,00,00,000) (As At 31 Mar 2021 ₹ 6,40,00,000)		999.82	-
19.2 Provision for proposed equity dividend		1,448.45	1,207.04
19.3 Provision for tax on proposed dividend		-	248.05
<b>Total</b>		<b>2,448.27</b>	<b>1,455.09</b>



<b>Note 20 Revenue from operations</b>		₹ in Lakhs		
<b>Particulars</b>		<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>	
20.1	Sale of products	1,12,296.67	73,791.32	
20.2	Other operating revenues	1,666.45	1,418.03	
	<b>Total</b>	<b>1,13,963.12</b>	<b>75,209.35</b>	
20.1.1	Sale of products comprises <u>Manufactured goods</u> Steel Forgings	1,16,306.09	77,620.18	
	<b>Total - Sale of products</b>	<b>1,16,306.09</b>	<b>77,620.18</b>	
20.2.1	Other operating revenues Power Generated	1,666.45	1,418.03	
	<b>Total - Other operating revenues</b>	<b>1,666.45</b>	<b>1,418.03</b>	
<b>Note 21 Other income</b>				
21.1	Interest income from Bank Deposits	64.56	49.50	
21.2	Dividend income: from long-term investments	831.98	1,357.55	
21.3	Miscellaneous Income	526.83	365.50	
	<b>Total</b>	<b>1,423.37</b>	<b>1,772.55</b>	
<b>Note 22 Cost of materials consumed</b>				
	Opening stock	10,448.03	5,228.18	
	Add: Purchases	52,656.51	37,979.01	
		<b>63,104.54</b>	<b>43,207.19</b>	
	Less: Closing stock	10,570.87	10,448.03	
	<b>Cost of material consumed</b>	<b>52,533.67</b>	<b>32,759.16</b>	
Material consumed comprises: Raw material Steel Billets				
<b>Note 23 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>				
<u>Inventories at the end of the year:</u>				
	Work-in-progress Forgings	9,070.31	7,017.55	
<u>Inventories at the beginning of the year:</u>				
	Work-in-progress Forgings	7,017.55	8,572.94	
	<b>Net (increase) / decrease</b>	<b>(2,052.76)</b>	<b>1,555.39</b>	
<b>Note 24 Employee benefits expense</b>				
24.1	Salaries and wages	9,634.38	7,139.28	
24.2	Managerial Remuneration	1,427.51	627.65	
24.2	Contributions to provident and other funds	438.94	338.51	
24.3	Staff Gratuity	30.33	43.98	
24.4	Staff welfare expenses	907.29	491.92	
	<b>Total</b>	<b>12,438.45</b>	<b>8,641.34</b>	
<b>Note 25 Finance costs</b>				
	Interest expense on: Borrowings	2,772.62	3,213.46	
	<b>Total</b>	<b>2,772.62</b>	<b>3,213.46</b>	
<b>Note 26 Other expenses</b>				
<b>Particulars</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
26.1	Consumption of Stores		2,981.06	1,859.69
26.2	Consumption of Tools		3,611.32	2,376.99
26.3	Outside Labour		970.90	679.25
26.4	Power and fuel		9,541.18	7,300.02
26.5	Repairs and Maintenance			
26.5.1	Buildings	114.21	108.32	
26.5.2	Machinery	1,135.09	782.18	
26.5.3	Machinery Spares	1,718.56	891.01	2,967.86
26.6	Selling Expenses		1,963.74	1,255.89
26.6	Export Expenses			
26.7.1	Packing & Forwarding	954.48	638.09	
26.7.2	Freight	4,716.19	1,905.64	
26.7.3	Commission	0.00	0.00	
26.7.4	Warehousing Charges	490.17	152.25	
26.7.5	Others	126.63	78.26	6,287.47
26.8	Loss on fixed assets sold / scrapped / written off		6.92	-
26.9	Miscellaneous expenses		1,849.05	1,359.64
	<b>Total</b>		<b>30,179.50</b>	<b>19,387.23</b>
Miscellaneous expenses includes payment to auditors comprising of :				
	As auditors - statutory audit		20.14	20.80
	For taxation matters		1.50	1.35
	Reimbursement of Expenses / Service Tax		-	0.74
	<b>Total</b>		<b>21.64</b>	<b>22.89</b>



<b>Note 27 Additional information to the financial statements</b>		₹ in Lakhs	
<b>Particulars</b>		<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
27.1	Contingent liabilities and commitments (to the extent not provided for)		
27.1.1	Contingent Liabilities - Foreign Bills Discounted with Bank	808.29	246.98
<b>Note 28 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>		<b>NIL</b>	<b>NIL</b>
<b>Particulars</b>		<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
29.3	The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below: <b>Receivable/ (Payable) in Foreign Currency</b>	Receivable/ (Payable)	As at 31 March 2021
		<b>NIL</b>	<b>NIL</b>
<b>Particulars</b>		<b>For the year ended 31 Mar 2022</b>	<b>For the year ended 31 Mar 2021</b>
29.4	<b>Value of imports calculated on CIF basis</b>		
	Raw materials	-	5.01
	Consumable Stores / Tools	-	19.00
	Machinery Spares	6.37	10.53
	Capital goods	-	797.47
29.5	<b>Expenditure in foreign currency</b>		
	Travelling	-	92.48
	Export Expenses	-	719.86
	Staff Training	-	12.39
29.6	<b>Details of consumption of imported and indigenous items</b>		
		<b>As at 31 March 2022</b>	
		<b>₹ in Lakhs</b>	<b>%</b>
	<b>Imported</b>		
	Raw materials	-	0.00%
	Consumable Stores / Tools	-	0.00%
	Machinery Spares	6.37	0.37%
		<b>6.37</b>	
	<b>Indigenous</b>		
	Raw materials	56,543.09	100.05%
	Consumable Stores / Tools	6,592.38	100.00%
	Machinery Spares	1,712.19	99.63%
		<b>64,847.66</b>	
		<b>As at 31 March 2021</b>	
		<b>₹ in Lakhs</b>	<b>%</b>
		5.01	0.00
		19.00	0.00
		10.53	0.01
		<b>34.54</b>	
		36,583.01	1.00
		4,217.68	1.00
		880.48	0.99
		<b>41,681.17</b>	
<b>Particulars</b>		<b>For the year ended 31 Mar 2022</b>	<b>For the year ended 31 Mar 2021</b>
29.7	<b>Earnings in foreign exchange</b>		
	Export of goods calculated on CIF basis	53,194.97	34,578.25
<b>Note 30 Disclosures under Accounting Standards (contd.)</b>			
<b>Particulars</b>		<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
30.1	<b>Details of government grants</b>	Nil	Nil
30.2	<b>Details of borrowing costs capitalised</b>		
	Borrowing costs capitalised during the year		
	- as fixed assets / intangible assets / capital work-in-progress	99.03	395.17
	- as inventory	-	-
<b>30.3 - Claims against the Company not acknowledged as debts</b>		<b>NA</b>	
<b>Note 31 Deferred Tax Liability</b>			
Tax Effect of Items constituting the same:-			
on difference between book balance and tax balance of Fixed Assets		2,836.31	3,008.06





<b>CASH FLOW STATEMENT FOR COMPANIES OTHER THAN FINANCE COMPANIES</b>			
Name of the Company <b>M M FORGINGS LIMITED</b> Cash Flow Statement for the year ended 31st Mar 2022	Consolidated		
	₹ in Lakhs		
Particulars	For the Year ended 31 Mar 2022		For the Year ended 31 Mar 2021
<b>A. Cash flow from operating activities</b>			
Net Profit / (Loss) before extraordinary items and tax		12,885.70	5,163.41
<u>Adjustments for:</u>			
Depreciation and amortisation	6,776.58		6,458.40
(Profit) / Loss on sale / write off of assets	-140.35		-196.47
Finance costs	2,772.62		3,213.46
Interest income	-64.56		-49.50
Dividend income	-831.98		-1,357.55
		8,512.31	8,068.34
Operating Profit / (Loss) before working capital changes		21,398.01	13,231.75
<u>Changes in working capital:</u>			
<u>Adjustments for (increase) / decrease in operating assets:</u>			
Inventories	-2,400.22		-4,332.09
Trade receivables	-3,770.33		-10,164.70
Short-term loans and advances	-166.46		-349.88
Long-term loans and advances	405.28		237.31
Other current assets	41.15		-2.30
Other non-current assets	686.22		131.81
<u>Adjustments for increase/(decrease) in operating liabilities</u>			
Trade payables	1,059.61		2,934.82
Other current liabilities	512.75		836.84
Other long-term liabilities	33.17		25.93
		-3,598.83	-10,682.26
Cash generated from operations		17,799.19	2,549.49
Net income tax (paid) / refunds		-2,672.07	-514.94
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>15,127.12</b>	<b>2,034.55</b>
<b>B. Cash flow from investing activities</b>			
Capital expenditure on fixed assets, including capital advances		-11,338.72	-3,221.96
Proceeds from sale of fixed assets		247.63	273.64
Long Term Investments		-2,800.00	0.00
Interest received		503.37	447.95
Dividend received		831.98	1,357.55
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>-12,555.74</b>	<b>-1,142.82</b>
<b>C. Cash flow from financing activities</b>			
Proceeds from long-term borrowings( Net)		14,507.30	1,186.35
Proceeds from Issue of Preference Share Capital		0.00	840.00
Repayment of long-term borrowings(Net)		-9,601.99	-5,737.97
Advance to Subsidiary Company		57.82	0.00
Net increase / (decrease) in working capital borrowings		1,030.86	7,862.99
Proceeds from other short-term borrowings		0.00	0.00
Repayment of other short-term borrowings		0.00	0.00
Finance cost		-3,211.43	-3,611.91
Interim Dividend / Tax on Dividend		0.00	0.00
Dividends paid		-1,207.04	0.00
Tax on dividend		-248.05	-210.89
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>1,327.47</b>	<b>328.57</b>
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>		<b>3,898.85</b>	<b>1,220.30</b>
Cash and cash equivalents at the beginning of the year		18,702.64	17,482.34
Cash and cash equivalents at the end of the year		22,601.49	18,702.64
		<b>3,898.85</b>	<b>1,220.30</b>

In terms of our Report of even date.

For GRNK & Co.  
Chartered Accountants  
FRN 016847S

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

**K. Venkatramanan**  
Joint Managing Director  
(DIN: 00823317)

**V.Vaidyanathan**  
Director  
(DIN: 00081792)

**G. R. Naresh Kumar**  
Partner  
Membership no. 215577

**A. Gopalakrishnan**  
Director  
(DIN: 06414546)

**Kavitha Vijay**  
Director  
(DIN: 01047261)

**Sumita Vidyashankar**  
Director  
(DIN: 00059062)

Place: Chennai  
Date: 25 May 2022

**J.Sumathi**  
Company Secretary

**R.Venkatakrishnan**  
Chief Financial Officer



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

1	SI No	1	2
2	Name of the Subsidiary	DVS Industries Pvt Ltd	Cafoma Autoparts Pvt Ltd
3	Reporting period of the subsidiary concerned, if difference from the holding company's reporting period	N.A	N.A
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A	N.A
5	Share Capital	159.30	900.00
6	Reserves and Surplus	(1,871.95)	63.38
7	Total Assets	7,919.70	1,120.08
8	Total Liabilities	9,632.37	156.69
9	Investments	Nil	Nil
10	Turnover	6,600.55	907.51
11	Profit before taxation	(575.89)	172.04
12	Provision for taxation / Deferred Tax	(24.06)	(303.34)
13	Profit after taxation	(551.83)	475.38
14	Proposed Dividend	Nil	Nil
15	% of Shareholding	100%	100%

Note

- 1 Names of subsidiaries which are yet to comence operations : **Suvarchas Vidyut Pvt Ltd**
- 2 Names of subsidiaries which have been liquidated or sold during the year : **NIL**



### Part B Associates and Joint Ventures

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

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

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

In terms of our Report of even date

For **GRNK & Co.**  
Chartered Accountants  
FRN 016847S

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

**K. Venkatramanan**  
Joint Managing Director  
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**G. R. Naresh Kumar**  
Partner  
Membership no. 215577

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Director  
(DIN: 01047261)

**Sumita Vidyashankar**  
Director  
(DIN: 00059062)

Place: Chennai  
Date: 25 May 2022

**J.Sumathi**  
Company Secretary

**R.Venkatakrisnan**  
Chief Financial Officer



**M M Forgings Limited**

A25, SVK Towers, Industrial Estate, Guindy, Chennai 600 032