M M FORGINGS LIMITED

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

Dated: 28 September 2017

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

Dear Sir/ Madam,

Subject: Annual Report of this Company for the year-ended 31st March, 2017

We forward herewith the soft copy of the Annual Report of this Company for the year ended 31st March, 2017 together with Notice to Shareholders for the Annual General Meeting held on 26 September 2017.

Kindly take it on record

Thanking you,

Yours faithfully,

For M M FORGINGS LIMITED

J.SUMATHI
COMPANY SECRETARY

Encl: As above.

M M FORGINGS LIMITED

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

71st Annual Report
and
Accounts for the year ended 31.03.2017

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Board of Directors

Chairman
Shri. N. Srinivasan

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

Vice Chairman and Managing Director
Shri. Vidyashankar Krishnan

Jt. Managing Director
Shri. K. Venkatramanan

Company Secretary
Smt. J. Sumathi

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

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

Internal Auditor
Shri. N. Ramnath

Cost Auditor
Shri. S. Hariharan
Sri Sapthagiri Homes
S.S. IInd Floor, Pulimandapam Road,
Srirangam, Trichy - 620006

Factories

Singampunari – 630 502, Tamil Nadu

Viralimalai – 621 316, Tamil Nadu

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

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

Windfarm
Panakudi, Tirunelveli District, Tamilnadu
Meenakshipuram, Theni District, Tamilnadu
Kulasekharamangalam, Sankaran Koil Taluk,
Tirunelveli -627756
Kallapalayam, Coimbatore District

Share Transfer Agents
Cameo Corporate Services Limited
'Subramanian Building', Fifth Floor
No. 1, Club House Road, Chennai – 600 002
Phone : 044 - 28460390—94

Solar site

Bommakkotai/ Kalayar Karisalkulam
Village, Aruppukottai - 626105
Virudhunagar District

Roof Top, Viralimalai

Bankers

State Bank of Travancore
Commercial Branch, 556, Mount Road Branch,
Teynampet, Chennai – 600 018

State Bank of India
FB,155, Anna Salai, Chennai – 600 002

Citibank N.A
163, Anna Salai, Chennai - 600002

DBS Bank
806, Anna Salai, Chennai - 600002

PERFORMANCE HISTORY

(₹ in lakhs)

DESCRIPTION / YEAR	FY 8	FY 9	FY 10	FY 11	FY12	FY13	FY 14	FY 15	FY 16	FY 17
INCOME										
Sales - Exports	11255.01	13267.88	10417.74	18294.07	23905.35	25396.52	29112.09	35059.10	33743.07	29314.40
- Domestic	7839.53	7413.07	5426.22	8295.11	10476.61	9627.13	10961.82	13891.22	15162.74	16728.26
- Total	**19094.54**	**20680.95**	**15843.96**	**26589.18**	**34381.96**	**35023.65**	**40073.91**	**48950.32**	**48905.81**	**46042.66**
Other Operating Income	522.84	673.07	598.47	622.89	641.29	1088.14	1069.56	1303.08	1320.07	1797.02
Other Income	73.21	82.93	114.15	985.88	735.93	51.29	315.88	241.28	541.24	1126.77
TOTAL INCOME	**19690.59**	**21436.95**	**16556.58**	**28197.95**	**35759.18**	**36163.08**	**41459.35**	**50494.68**	**50767.12**	**48966.45**
Operating Profit	4294.48	3891.58	2938.55	6318.08	6566.97	5783.49	8200.09	11281.19	11290.82	10321.07
Profit After Tax	1478.86	1022.52	1041.66	2971.09	2675.46	2444.96	2931.90	5054.82	5008.84	4342.22
Reserves & Surplus	8140.11	8347.28	9177.11	11722.53	13977.08	16001.18	18371.91	22585.00	26752.19	30252.69
Dividend including tax paid	353.04	211.83	211.83	422.25	420.85	420.85	561.14	841.72	841.72	841.72
Dividend	50%	15%	15%	30%	30%	30%	40%	60%	60%	60%
Share Capital	603.52	1207.04	1207.04	1207.04	1207.04	1207.04	1207.04	1207.04	1207.04	1207.04
Earnings per share	24.50	8.47	8.63	24.61	22.17	20.26	24.29	41.88	41.50	35.97
Return on Capital Employed	24.2%	20.4%	14.0%	20.2%	19.3%	17.8%	22.5%	25.8%	22.6%	17.1%
Return on Net Worth	16.8%	10.7%	9.3%	22.4%	17.7%	13.7%	14.5%	20.5%	17.6%	14.0%
Dividend as a % to PAT	23.9%	20.7%	20.3%	14.2%	15.7%	17.2%	19.1%	16.7%	16.8%	19.4%
Working Capital	4359.80	3343.93	4314.15	7344.89	7299.61	7434.43	10251.78	9178.08	9213.43	7444.49
W C as a % to sales	18.5%	15.6%	26.1%	26.0%	20.4%	20.6%	24.7%	18.2%	18.1%	15.2%
Current Ratio	1.47	1.97	1.50	1.47	1.54	1.50	1.41	1.92	2.00	2.36
TOL / NW	1.44	1.27	1.26	1.19	1.17	1.05	0.87	0.93	0.87	0.82
Debt / Equity	0.69	0.82	0.69	0.43	0.53	0.41	0.25	0.41	0.43	0.47

Notice To Shareholder

NOTICE IS HEREBY GIVEN THAT THE **SEVENTY FIRST** ANNUAL GENERAL MEETING OF MM FORGINGS LIMITED will be held at Music Academy (Mini Hall) Old No. 306, New No. 168, T.T.K. Road, Royapettah, Chennai 600014 on Tuesday, 26 September 2017 at 11.45 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2017 including Audited Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Shri K. Venkatramanan, (DIN 00823317) who retires by rotation and being eligible offers himself for re-appointment.

3. To appoint GRNK & Co., Chartered Accountants, (FRN 016847S) 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. GRNK, Chartered Accountants, (Firm FRN 016847S) 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 Seventy Sixth Annual General Meeting of the Company, subject to ratification as to the said appointment at every Annual General Meeting, 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 present Statutory Auditors, M/S G. Ramesh Kumar & 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. G Ramesh Kumar & Co during their tenure as statutory auditors. A new Statutory Auditor, has been recommended by the Audit Committee and by the Board of Directors,for the shareholders approval. The Proposed Statutory Auditors will be GRNK & CO (FRN 016847S).

SPECIAL BUSINESS:

4. To ratify the appointment of Cost Auditors for the year 2017-18 by passing the following 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 Accountants, Tiruchirapali, as Cost Auditor to audit the cost records maintained by the Company for the Financial Year 2017-18 on a remuneration of ₹ 60,000 plus Out of pocket expenses of ₹ 15,000, totalling ₹ 75,000 and future remuneration as may be decided by the Board be and is hereby ratified."

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

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

Date : 19 May 2017
Place : Chennai

J.SUMATHI
Company Secretary
Membership No. 8621

IMPORTANT NOTES:

1. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer books of the Company will remain closed from 20 September 2017 to 26 September 2017 (both days inclusive) for annual closing.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

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

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

4. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.

5. Under Section 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 ₹ 231,511, pertaining to the unclaimed dividend for the year 2008-09 on 20 October 2016, 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 2010 – 2016, as on the date of the 70th Annual General Meeting (AGM) held on 06 September 2016, on the website of the IEPF viz. www.iepf.gov.in and on the Website of the Company, www.mmforgings.com. Members who have not encashed their dividend, are advised to write to the Company immediately claiming dividends declared by the Company.

   The Shares of which the dividend has been unclaimed for a period of 7 years shall be transferred to a separate IEPF demat account of the Government. The details of those shares which shall

be transferred to the Government is available in the company's website. www.mmforgings.com. Those shareholders can claim the shares from the Government after following the procedure prescribed.

6. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

8. Details under SEBI (LODR), in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

9. Electronic copy of the Annual Report for 2017 will be sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2017 is being sent in the permitted mode.

10. Electronic copy of the Notice of the 71st Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 71st Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

11. Shareholders seeking any information with regard to accounts are request to send their queries at least 7 days before the meeting so as to enable the company to keep the information ready.

12. Member / Proxy holder should bring the attendance slip, for attending the meeting.

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

    Reappointment of Director retiring by rotation. Reappointment of Shri K. Venkatramanan (DIN 00823317), aged 47 years, retiring by rotation: Shri. K. Venkatramanan is liable to retire by rotation at the 71st AGM, and being eligible has offered himself for reappointment.

    Other Directorships : Synmax Consultants & Trading Pvt Ltd, Sivasundar Private Limited and Baylife Medicare Pvt Ltd

Relationship with other Directors, Manager and KMP of the Company:

Shri. K. Venkatramanan is the brother of Shri Vidyashankar Krishnan, Vice Chairman and Director

No.of shares held in the Company	: 1292480 shares
No. of Board meetings attended during the year	: 2
Terms and conditions of appointment or reappointment	: Executive Director liable to retire by rotation - Joint Managing Director

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

(i) The voting period begins on 23 September 2017 at 10.00 a.m. and ends on 25 September 2017 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 19 September 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders.

(v) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department(Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) asrecorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

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

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

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

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

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

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

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google

Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non – Individual Shareholders and Custodians

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

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

15. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

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

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

ITEM NO. 4 :

Pursuant to the provisions contained in Rule 14 of the Companies (Audit and Auditors) Rules 2014, the appointment and remuneration paid to Shri S. Hariharan, cost auditor appointed at the Board meeting dated 19 May 2017, 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 2018. The Board recommends the resolutions set forth in the Notice for the approval of the Members.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No.4.

The above resolution does not affect any other company.

Director's Report

1. FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2017

(₹ in Lakhs)

			2016-17		2015-16
1.1.	Forging Sales		46,042.66		48,905.80
1.2.	Profit before exceptional items/ extraordinary items and Tax		5514.16		6,928.91
1.3.	Exceptional/Extraordinary Items		0.25		0.55
1.4.	Profit Before Tax		5514.16		6,929.46
1.5.	Tax				
	For current year	1176.86		1,725.00	
	Relating to previous years	80.91		52.18	
	Deferred Tax	293.21		143.45	
	Mat Credit Entitlement	(378.81)	1172.19		1,920.63
	Profit After Tax		4342.22		5,008.83

The Directors commend the employees for their commitment and contribution.

2. DIVIDEND AND FINANCIAL RESULTS:

(₹ in Lakhs)

		2016-17	2015-16
2.1.	Profit After Tax	4342.22	5,008.83
2.2.	Balance in P & L Account	244.20	177.07
2.3.	Profit available for appropriation	4586.42	5,185.91
2.4.	Transfer to General Reserve	3500.00	4,100.00
2.5.	Interim Dividend paid	701.43	841.72
2.6.	Proposed Dividend	140.28	-
2.7.	Balance carried forward	244.71	244.20

The Directors had declared Two Interim Dividend of 50% - ₹ 5/- per share of face value of ₹ 10/- each on 11 August 2016 and 10% - ₹ 1/- per share on 19 May 2017. With this, the total Dividend for the year ended 31st March 2017, will aggregate to 60% - ₹ 6/- per share. The Directors do not recommend any final dividend for the year 2016-17

3. HIGHLIGHTS OF THE COMPANY'S OPERATIONAL PERFORMANCE

3.1. The Company continues to be one of the largest exporter of forgings from India and has received 25 consecutive Annual Awards from The Engineering Exports Promotion Council since 1989.

3.2. The Company has also crossed the ₹ 150 Crore mark for the second time in domestic sales.

3.3. The Company continues to be a net foreign exchange earner. The net foreign exchange earnings during the current year were ₹ 235.56 Crores.

3.4. The Company has retained its ISO 9001 and TS 16949 Certification for its Quality Management.

3.5. The capital expenditure during the year was ₹ 80.57 Crores. Forging and Machining capacity has been substantially increased in line with customer demand. The Company also produces **Green Energy** in its Solar and in Wind farms.

3.6. Directors retained the dividend payment to 60%.

4. **Indian Accounting Standard (IND AS) IFRS Converged Standards**

Pursuant to the notification of the Companies (Indian Accounding Standard) Rules, 2015 by the Ministry of Corporate Affairs (MCA) on 16 February 2015, the Company has adopted Indian Accounting Standard (IND AS) with effect from 01 April 2016.

5. EXPENSES MADE MORE THAN 10% OF THE TURNOVER

Raw material - ₹ 191.13 Crores (43%)

Personnel - ₹ 52.86 Crores (12%)

6. MANAGEMENT DISCUSSION AND ANALYSIS :

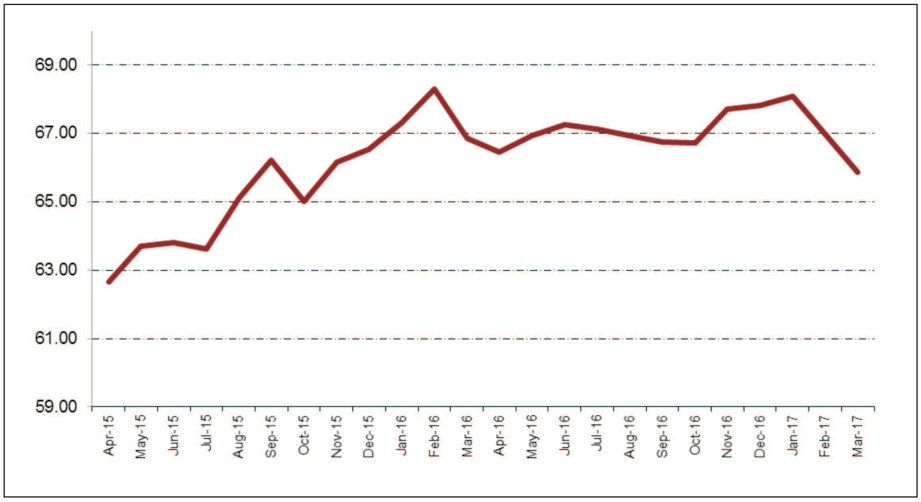
GLOBAL SCENE

1. Preliminary data suggest that global economic activity is picking up with a long awaited cyclical recovery in investment, manufacturing and trade. World growth is expected to rise from 3.1% in 2016 to 3.5% in 2017 and 3.6% in 2018, slightly above the October 2016 World Economic Outlook (WEO) forecast.
2. Economic activity gained some momentum in the second half of 2016, especially in advanced economies.
3. Growth picked up in the United States as firms grew more confident about future demand, and inventories started contributing positively to growth (after five quarters of drag). Growth in the United States is sluggish at around 1.4 percent in the fourth quarter of 2017. Unemployment rate continued to improve to reaching a low of 4.5% in March 2017.
4. The Dow Jones Industrial Average (DJIA) has increased by approximately -17% because US stock markets are seen as a haven for investment in a sea of gloom.
5. The outlook has also improved for Europe and Japan based on a cyclical recovery in global manufacturing and trade that started in the second half of 2016.
6. Europe – The Euro has weathered the pressures on account of the floundering economies of Portugal, Ireland, Greece and Spain (PIGS countries). The recovery was broadly in line with the January forecast in the euro area, as strengthening domestic demand offset a weaker external impulse. Among countries, growth was weaker than expected in Italy but the recovery was stronger in Spain. The Euro (EUR) has appreciated versus the US Dollar (USD) by about 11%
7. Germany along with a few countries bordering the North Sea continue to be pillars of the European economy. Their relative prosperity forms the back bone of the efforts to keep the EU and ECU integrated. The moribund labour markets in France is a considerable risk to the very EU itself. The Italian economy is also in stasis with very high public debt leaving very little room for maneuvering.
8. The rigid labour markets of Europe, absence of political union, unwillingness of the German public to bear a higher burden, significant welfare commitments, large share of government spending in the economy, etc., are some of the significant structural issues. Countries like Spain, Ireland, etc., have embarked on a journey of significant and painful structural reforms which are starting to bear fruit.
9. The significant challenge for European leadership is the management of structural reforms and containment of public spending without causing social turbulence.
10. The 2017 and 2018 growth forecasts have been marked up for China, reflecting stronger-than-expected policy support, as well as for Russia, where activity appears to have bottomed out and higher oil prices bolster the recovery.
11. China – The Chinese economy is showing signs of considerable slow-down on account of slow down in real estate and NPAs in the banking sector. However, because it is a controlled economy, there are reasonable chances of the leadership managing a slow down without a crash landing. Further fall in growth in China is expected to drag the global economy.
12. Japan – Initially benefitted from Abenomics, the radical monetary expansion, fiscal stimulus and structural reforms, promulgated by Mr.Shinzo Abe, the Prime Minister of Japan. However, the effects of the fiscal stimulus have worn off with just 0.6% growth in recent months.
13. Commodities – The Dow Jones Commodity Index (DJCI) has increased by 0.81% in the last one year due to considerable revival of business sentiments in commodities. This is indicative of growth in various economies in both developed and developing countries.
14. Overall, Global output is estimated to have grown by 2.6% in 2016, with 2.2% growth for advanced economies and 4% growth for emerging market and developing economies per various economic think tanks. Global growth is projected to remain modest in 2017, at 2.7%, before picking up to -2.9% in 2018.
15. The issue of high levels of sovereign debt which most countries have run up over the last two decades, continues to be of serious concern. The next few years appear to be a consolidation phase for the global economy with growth stuck in a range of 3-4%. Getting out of high levels of sovereign debt without derailing economies into recession will be a significant conundrum.

INDIA

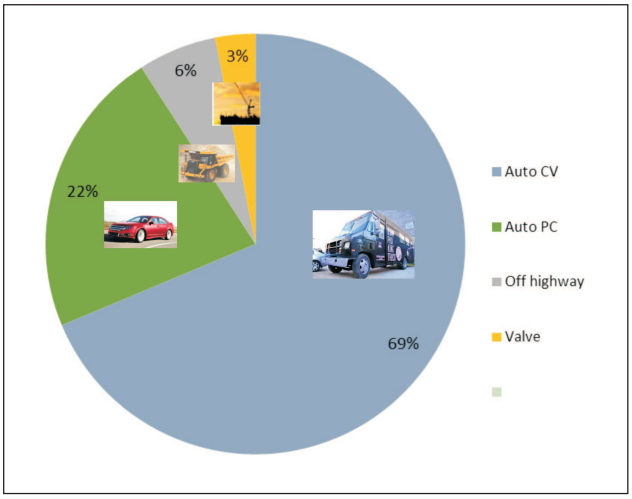
16. The Indian economy is expected to grow by approximately 7.1% in F17 as compared to about 7.5% in F16.

17. During F17 the automotive industry posted growth rates of approximately 11% in the car segment and 4% in the CV segment.
18. Steel prices have dropped by about 4% compared to the highs of the previous year.
19. The INR ended the year higher by approximately 1.5%, ending the year at a level of ₹ 65.86 per USD. Please refer graph below. Further strengthening of the INR is anticipated. However, if FDI inflows are strong, the pressure on the INR will be much higher



M M FORGINGS – forging ahead

20. The following were important developments witnessed during the year :
    - ❖ Domestic sales crossed ₹ 150 crore mark for the consecutive second year!
    - ❖ Production of 35,190 Tons!
    - ❖ Adding to the volume of existing parts, were the new parts which were developed in the last 2 years.
    - ❖ The company has posted a growth of 19% in domestic sales by the development of new parts.
    - ❖ Export sales fell by 13% on the back of sluggish conditions in global markets.
    - ❖ Changes in steel prices which are in line with international markets are being passed on to customers as is the industry practice.
    - ❖ We are focusing on capacity utilisation, to take advantage of the production capacities created in the last 3 years.
21. As highlighted in the Directors' Report, Return on Net Worth is 13.99% and Return on Capital Employed is 17.14%. Current Ratio is 2.36. The total outside liabilities to net worth stands at 0.82. Debt Equity Ratio is 0.47.
22. The details of segment-wise sales distribution are provided below:



Human Resources and Industrial Relations

23. Your company continues to focus on the development of its human resources to improve its performance. The company currently has approximately 1357 employees. It is their invaluable contribution that has primarily resulted in your company's position of strength in the industry.

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

25. Every year, each plant of the Company celebrates 'Founder's Day' in a family atmosphere with all employees and their household members.

26. Your Company provided necessary training on GST to the concerned and the IT department in coordination with the implementation partner ensures smooth transformation to the GST platform.

Health, Safety and Environment

27. 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.

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

Risk Management

29. 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.

30. 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.

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

M M FORGINGS – forging ahead

32. Our goals in the coming months:

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

Sources:

1. IMF World Economic Output
2. The Economist

7. TRANSFER TO RESERVE

Transfer to General Reserve - ₹ 35 Crores.

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

Not applicable

9. DIRECTORS

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

Shri. K. Venkatramanan has a Bachelor of Engineering Degree. He has 25 years of experience in the Company. He joined the Board as an Additional Director in this Company. He has been responsible

for the tremendous growth in the sales of the Company. His accomplishments include a 10 fold increase in the export sales.

10. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL RESIGNED DURING THE YEAR - Nil

11. BOARD AND COMMITTEE MEETING DATES

Details are provided in Annexure III of this Report

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

13. RISK MANAGEMENT

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

14. RELATED PARTY TRANSACTION

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

All Related Party transactions that were entered into by the Company during the financial year 2016-17, were in compliance of Section 188 of the 2013 Act and the Rules framed thereunder. There are no "Material" contracts or arrangement or transactions at arm's length basis and hence disclosure in form AOC-2 is not required.

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

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

15. CORPORATE SOCIAL RESPONSIBILITY

A Board Level Committee of CSR has been constituted and the Board has adopted a CSR Policy as recommended by the Committee. The thrust areas of CSR Policy are Eradicating Hunger and Poverty, Education, Combating Diseases and Social Business Projects. Your company has fulfilled its obligation towards CSR by spending a sum of ₹ 117.12 lakhs during the year

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

16. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

In terms of provision of Section 178 of the Companies Act, 2013 read with Rules prescribed, a policy for the Directors, KMP and other employees has been adopted by the Board of Directors of the Company analysing the criteria for determining qualifications, positive attributes and independence of a Director. The said policy is given in Annexure 3 under Nomination & Remuneration Committee.

17. PARTICULARS OF EMPLOYEES

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

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

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

Name	Ratio
Shri. N. Srinivasan	3.80 : 1
Shri. V. Vaidyanathan	2.03 : 1
Shri. A. Gopalakrishnan	1.52 : 1
Smt. Kavitha Vijay	1.52 : 1
Shri. Vidyashankar Krishnan, Vice Chairman and Managing Director	155 : 1
Shri. K. Venkatramanan, Joint Managing Director	149 : 1

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

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

Name	% Increase
Shri. N. Srinivasan	0.81 %
Shri. V. Vaidyanathan	-5.75 %
Shri. A. Gopalakrishnan	-2.57 %
Smt. Kavitha Vijay	2.13 %
Shri. Vidyashankar Krishnan, Vice Chairman and Managing Director	-18.75 %
Shri. K. Venkatramanan, Joint Managing Director	-19.23 %
Smt.J.Sumathi	5.40 %
Shri.R.Venkatakrishnan	6.50 %

18.3 Percentage increase in median remuneration of employees is 8.3% in the financial year 2016-17.

18.4 The number of permanent employees on the rolls of Company: 1357

18.5 Explanation of relationship between average increase in remuneration and company performance PAT – (last year) - ₹ 5008.83 Lakhs PAT – (this year) - ₹ 4342.22 Lakhs, Decrease – 13.31% against which, the average decrease in remuneration is 4%.

18.6 Comparison of remuneration of each KMP against performance of company

Name	Designation	CTC in CTC	% Increase	PAT ₹ in Lakhs	% in PAT
Vidyashankar Krishnan	CEO	30503724	-18.75%	4342.22	-13.31%
J.Sumathi	Company Secretary	999650	5.40 %		
R.Venkatakrishnan	CFO	1417386	6.50 %		

18.7 Variation in market cap/net worth of company:

Date	Issued Capital (Shares)	Closing market Price per share in ₹	EPS	PE Ratio	Market Capitalisation ₹ in Crores
31.03.2016	12070400	443	41.50	10.67	534.72
31.03.2017	12070400	542	35.97	15.07	654.21
Increase/(Decrease)	NIL	99	(5.53)	4.40	19.49
% of Increase / (Decrease)	NIL	18.26	(13.32)	29.20	18.26

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

Average decrease in Remuneration for employees other than Directors and KMP is 0.80%

Average decrease in Remuneration for KMP and Senior Management is 18.99 %

18.9 Key parameters for any variable remuneration of Directors:

Directors are paid Commission. However, the overall managerial remuneration payable is subject to the provisions of the Companies Act, 2013

18.10 Ratio of remuneration of highest paid Director to other employees who gets remuneration more than highest paid Director. – NOT APPLICABLE

18.11 Is remuneration as per remuneration policy of the Company: YES

19. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATIONS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

Not applicable

20. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURED SINCE 31.03.2017 TILL THE DATE OF THIS REPORT:

Not applicable

21. DIRECTORS RESPONSIBILITY STATEMENT:

The Directors have fulfilled their responsibility for the preparation of the accompanying financial statements by taking all reasonable steps to ensure that -

21.1 In the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures;

21.2 The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31 March 2017 and of the profit or loss of the company for that period ended on that date;

21.3 The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

21.4 The Directors had prepared the annual accounts on a going concern basis.

21.5 The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

21.6 The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

22. ESTABLISHMENT OF VIGIL MECHANISM

The Company has in place a vigil mechanism pursuant to which a Whistle Blower Policy has been in vogue. The Whistle Blower Policy covering all employees and Directors is hosted on the Company's website.

23. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

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 completements of the accounting records and the timely preparation of reliable financial inforamtions during the year, such controls were tested and bi-material wekness in the desgin or operations were observed.

24. CORPORATE GOVERNANCE REPORT

The guidelines evolved by SEBI were applicable to the company. The company is committed to ethical management and excellence in performance. Details are Provided in Annexure 3.

25. ANNUAL RETURN

An extract of Annual Return as on 31 March 2017 pursuant to Section 92 (3) of the Companies Act, 2013 and forming part of the report is attached separately**.**

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

1. Nomination and Remuneration Committee of the Board had prepared and sent through its Chairman draft parameterized feed back forms for evaluation of the Board, Independent Directors and Chairman.
2. Independent Directors at a meeting without anyone from the non-independent Directors and management, considered/evaluated the matters relating to the Board's performance, performance of the Chairman and other non-independent Directors Their meeting was held on 15 February 2017.
3. The Board subsequently evaluated performance of the Board, the Committees and Independent Directors (without participation of the relevant Director)

27. **FAMILIARISATION PROGRAMME ARRANGED FOR INDEPENDENT DIRECTORS**

M M Forgings Limited has put in place a system to familiarise the Independent Directors about the company, its products, business and the on-going events relating to the Company.

- 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.

28. STATUTORY AUDITORS:

As per Section 139 (2) of the Companies Act 2013 and Rules prescribed thereunder, the term of the present Auditor G. Ramesh Kumar & Co. expires from the date of the ensuing Annual General Meeting. The Board of Directors place on record their appreciation for the service rendered by M/s. G. Ramesh Kumar & Co during their tenure as Statutory Auditors of the Company.

GRNK & CO (FRN 016847S) is recommended by the Board to be appointed as Statutory Auditor of the Company, for the approval of members in the ensuing Annual General Meeting till the conclusion of the fifth consecutive Annual General Meeting in the year 2022 (subject to the ratification by members at every Annual General Meeting). Certificate from proposed Auditors has been received to the effect that their appointment, if made, would be within the limits prescribed under section 139 of the Companies Act, 2013.

A short profile of G R. Naresh Kumar, the proposed Auditor:

Name :	G. R. Naresh Kumar, FCA, CISA
Firm Name :	GRNK & CO
FRN :	016847S
Mem No:	215577
Address :	26/5, Akila Lands, Ganapathy Colony, South, Thiruvanaikoil Post, Trichy – 620005.

Mission Statement:

To be recognized by the stakeholders of the company as a valuable associate by independently and objectively providing information, analysis and counsel to assist management in fulfilling their responsibility and ensuring operations are managed ethically, effectively and efficiently.

Brief Profile:

Practicing Chartered Accountant with more than a decade experience in Statutory Audits, Internal Audits, Management Consulting, Business Process Reengineering, IT Consulting, Systems Audit, ERP Consulting, Income Tax practice and Internal financial controls audit.

29. SECRETARIAL AUDIT REPORT

Pursuant to the requirements of the Companies Act, 2013, the Company has appointed. V. Shankar, Practicing Company Secretaries (C.P. No.12974) as the Secretarial Auditor for FY 2017 whose report of 19 May 2017 is attached separately to this report.

30. COST AUDIT:

Pursuant to the provisions contained in Rule 14 of the Companies (Audit and Auditors) Rules, 2014 Shri. S. Hariharan (C.P. No. 20864) has been appointed as Cost Auditor for the financial year 2017-18.

31. EXPLANATION TO AUDITOR'S REMARKS

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.

32. 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.

33. DEPOSITS

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

34. ENERGY, TECHNOLOGY & FOREIGN EXCHANGE:

Disclosures as per requirements of Section 134 (3) (m) of 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.

35. DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

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

36. PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

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

37. ACKNOWLEDGEMENT:

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

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

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

For and On behalf of the Board

Place : Chennai
Date : 19 May 2017

Vidyashankar Krishnan
Chairman of this meeting
(DIN 00081441)

Annexure I – to the Directors' Report:

Information in accordance with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 and forming part of the report of the Directors for the year ended 31 March 2017.

(A) CONSERVATION OF ENERGY:

1. Energy conservation methods undertaken:

1.1 Conservation of energy is a continuous process. We have spent around ₹ 50 lakhs to improve efficiency and saving on power consumption.

1.2 New buildings are set up with natural lighting and energy efficient LED lights. Energy efficient LED lights are also employed in existing buildings wherever replacements occur. We have spent around ₹ 10 lakhs for LED lights last year.

1.3 Consumption of Light Diesel Oil and Furnace Oil is closely monitored to conserve energy.

1.4 Extracting waste heat from forgings to reduce energy consumption in Heat Treatment.

2. Additional investment and proposals, if any, are being implemented for the reduction in consumption of energy: Optimising energy consumption. Close monitoring of Power Consumption of Induction Billet Heaters to reduce power consumption.

3. Solar Power : The Company has generated 279 lakh units from its wind and solar farms equivalent to approximately 25752 tons of CO_2.

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.

				2016-17	2015-16
1	ELECTRICITY				
	a.	Purchased:			
		Units		4,68,79,346	5,20,58,575
		Total Amount. (₹)		39,29,09,174	41,25,67,812
		Rate / Unit (₹)		8.38	7.93
	b.	Own Generation:			
		Units		97,829	6,66,476
		Units per ltr.		2.46	2.79
		Cost / Unit (₹)		22.22	17.17
2	FUEL OIL				
	Quantity (in ltrs)			17,65,063	21,32,290
	Total amount (₹)			5,06,75,440	6,16,96,721
	Average Rate (₹/ltr.)			28.71	28.93
3	CONSUMPTION PER UNIT OF PRODUCTION				
	a.	Electricity	Units	1335	1362
	b.	Fuel Oil	Litres	50	55

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 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 ₹ 29314.40 form a significant part of the company's turnover (₹ 33743.07 lakhs in 2015-16)
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: ₹ 2,83,57,15,074 (₹3,37,43,07,226 IN 2015-16)
		a. Used: ₹ 48,01,55,898 (₹ 59,00,68,608 IN 2015-16)

For and On behalf of the Board

Place : Chennai
Date : 19 May 2017

Vidyashankar Krishnan
Chairman of this meeting
(DIN 00081441)

ANNEXURE II FORMING PART OF THE REPORT OF THE DIRECTORS

(Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules,1975 and forming part of the Report of the Directors for the year ended 31.03.2017

Sl. No	Name	Designation	Remuneration ₹	Qualification	Experience (years)	Date of Joining	Age	Last Employment	% of shares held in the Company
a)	Employed throughout the year and were in receipt of remuneration at a rate of not less than ₹ 1.05 crore per annum								
1	Shri Vidyashankar Krishnan DIN: 00081441	Vice Chairman and Managing Director	30503724	B.E.,M.S.	27	25.06.1990	51	Nil	11.27%
2	Shri. K.Venkatramanan DIN : 00823317	Jt. Managing Director	29411525	B.E.	25	24.01.1992	47	Nil	10.71%
b)	Employed for a part of the year and were in receipt of remuneration at a rate of not less than ₹ 8,50,000 per month								
			None						

Note:

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

For and on behalf of the Board

Place : Chennai
Date : 19.05.2017

Vidyashankar Krishnan
Chairman of this Meeting
(DIN 00081441)

Annexure 3 - Report on Corporate Governance

1. Company's Philosophy On Code of Governance:

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

2. Board of Directors:

2.1 Composition and category of Directors as of 31 March 2017 is as follows:

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

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

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

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

No. of Board Meetings : Four

Date of Board Meeting held during the year- 09 May 2016, 11 August 2016, 03 November 2016 and 13 February 2017.

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

2.5 Information placed before the Board of Directors, inter alia, include:

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

- Annual operating plans and budgets and any updates
- Capital Budgets any updates.
- Annual Accounts, Directors' Report etc.
- Quarterly Results of the Company
- Minutes of the meetings of Audit Committee and other Committees of the Board.
- The information on recruitment and promotion of Senior Officers to the level of Executive Director which is just below the Board level
- Fatal or serious accidents, dangerous occurrences etc.
- Operational highlights.
- Major investments.
- Award of large contracts
- Disclosure of interest by Directors about Directorship and committee positions occupied by them in other companies.
- Quarterly Report on foreign exchange exposures.
- Any significant development in Human Resources / Industrial Relations
- Non- Compliance of any regulatory, statutory or listing requirements and shareholders services such as non-payment of Dividend, delay in share transfer etc.
- Short term investments.
- Information relating to any legal disputes.
- Other materially important information.

2.6 Code of Conduct:

The Board of Directors have laid out a Code of Conduct which is applicable to each member of the Board of Directors and Senior Management of the company. The Company has received confirmation from all the Directors and Senior Management of the Company regarding compliance with the said Code for the year ended March 31, 2017. A certificate from Shri Vidyashankar Krishnan, Vice Chairman and Managing Director to this effect is given below. The said Code is also posted on the website of the Company 'www.mmforgings.com'

2.7 Prevention of Insider Trading:

The Company has framed a code of Conduct for Prevention on trading based on SEBI (Insider Trading) Regulations 1992. This Code is applicable to all Board Members / Officers / Designated Employees. This Code ensures the prevention of dealing in shares by persons having access to unpublished price sensitive information.

2.8 Disclosure of relationship between Directors Interse:

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

2.9 No. of shares held by Non-executive Directors
Shri. V. Vaidyanathan - 6000 shares
Shri. A. Gopalakrishnan - 800 shares

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

3. Audit Committee (AC):

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

3.1.1. Reviewing the Company's internal control system, audit procedures, compliance with statutory and regulatory requirements, financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and correct.

3.1.2. It reviews 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. Any other terms of reference as may be included from time to time in accordance with SEBI (LODR).

3.2. Date of Meetings:

During the year under review, the Committee had 4 meetings held as follows: 09 May 2016, 11 August 2016, 03 November 2016 and 13 February 2017.

3.3 Formation, Composition and attendance to the AC Meetings:

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

Name	No. of AC Meetings	No. of AC Meetings attended
Shri. N. Srinivasan (Chairman)	4	2
Shri. V. Vaidyanathan	4	4
Shri. A. Gopalakrishnan	4	3
Shri. Vidyashankar Krishnan	4	4
Smt. Kavitha Vijay	4	3

3.4 Four members are Non- Executive Independent Directors.

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

4. Stakeholders Relationship Committee :

4.1 Formation and no. of meetings held:

The Stakeholders Relationship Committee of the Board was formed on 16 June 2001 and was reconstituted on 01 April 2015,to redress the grievances of the Investors/ Shareholders.

During the year under review, the Committee had 4 meetings held as follows: 09 May 2016, 11 August 2016, 03 November 2016 and 13 February 2017

4.1.1 Composition:

Non – Executive Chairman – Shri V. Vaidyanathan

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

4.1.2. Attendance:

Name	No. of IGC Meetings	No. of IGC Meetings attended
Shri. V. Vaidyanathan	4	4
Shri. Vidyashankar Krishnan	4	4
Shri. K. Venkatramanan	4	2
Shri. A. Gopalakrishnan	4	3
Smt. Kavitha Vijay	4	3

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

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

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

4.5. No. of Pending Complaints : 0

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

4.7. For Redressal of Investor complaints, complaints can be mailed to sumathi@mmforgings.com

5. Share Transfer Committee:

The Share Transfer Committee was formed on June 16, 2001. It considers transfer / transmission of shares issued by the Company, issue of duplicate certificates and certificates after split/ consolidation / renewal. During the year the Committee met 5 times.

6. Corporate Social Responsibility Committee:

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

6.2 Date of Meetings: (Total no. of meetings – 4) 09 May 2016, 11 August 2016, 03 November 2016 and 13 February 2017

6.3 Attendance:

Name	No. of CSR meetings	No. of CSR meetings attended
Shri. Vidyashankar Krishnan (Chairman)	4	4
Shri. V. Vaidyanathan	4	4
Shri. K. Venkatramanan	4	2
Shri. A. Gopalakrishnan	4	3

6.4 Annual report on CSR

6.4.1 A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the webs-link to the CSR policy and projects or programs: The CSR activities carried out by the Company are in accordance with the policy as laid down and approved by the CSR Committee. The CSR Policy is available in Commpany's website www. mmforgings.com.

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

6.4.3 Average net profits of the Company for last three financial years : ₹ 58.27 Crores.

6.4.4 Prescribed CSR expenditure (2% of the amount as in item no. 3 above) : ₹ 116.55 lakhs.

6.4.5 Details of CSR spent during the financial year :

6.4.5.1 Total amount spent for the financial year : ₹ 117.12 lakhs

6.4.5.2 Amount unspent if any : NIL

6.4.5.3 Excess spent ₹ 0.57 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: (I) Direct on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period (₹ in Lakhs)	Amount spent : Direct or through implementing agency
1	Eradicating Hunger and Poverty	Livelihood	KarnatakaTamil Nadu Uttaranchal	19.00	19.00	19.00	Direct
2	Education	Education	Maharashtra Tamil Nadu	29.50	29.00	29.00	Direct
3	Combating Diseases	Health	DelhiKarnataka Tamil Nadu	21.00	20.30	20.30	Direct
4	Social Business Projects	Social Business	Tamil Nadu	47.00	46.82	46.82	Direct
5	Gender Equality & Empowerment of Women	Empower-ment of Women	——	2.00	2.00	2.00	Direct
	TOTAL			118.50	117.12	117.12	Direct

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 implementaion and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

Vidyashankar Krishnan **V.Vaidyanathan**

Chairman CSR Committee Director

7. Nomination and Remuneration Committee:

7.1 Remuneration Policy:

Preface:

The present Human Resource Policy of the Company considers human resources as its invaluable assets and has its objective the payment of remuneration to all its employees appropriate to employees' role and responsibilities and the Company's goals based on the performance of each of its employees in the Company.

This Nomination and Remuneration Policy (NR Policy) has been formulated, inter alia, for nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other Employees of M M Forgings Limited (hereinafter referred to as the Company), in accordance with the requirements of the provisions of Section 178 of the Companies Act, 2013 and Listing Agreement.

Purpose of the Policy:

The Objective and purpose of the Policy are:

To lay down criteria in relation to appointment and removal of Directors, Key Managerial Personnel (KMP) and Senior Management.

To carry out evaluation of the performance of the Directors and remuneration for the Directors, KMPs and other Senior Management.

To formulate criteria for determining qualification, positive attributes and independence of a Director.

Effective date of the Policy:

This policy shall be effective from retrospective effect from 01 April 2014.

Constitution of the Committee:

The Committee is established by a resolution of the Board of Directors of the Company and is to

be known as Nomination and Remuneration Committee. This Committee is formed with retrospective effect viz., from 01 April 2014.

With effect from 01 April 2017, the committee is reconstituted as follows:

Shri. V. Vaidyanathan – Chairman

Shri. N. Srinivasan

Shri. A.Gopalakrishnan

Smt. Kavitha Vijay

Frequency of Meetings

Meetings shall be held at such times as the Committee deems appropriate, and in any event shall be held not less than twice a year.

Quorum

A quorum shall be two members.

Objective:

To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

Role of the Remuneration Policy:

The Remuneration Policy is divided into three parts

Appointment:

Directors

Section 164 of the Companies Act, 2013 states disqualifications for appointment of any person to become Director of any Company. Any person who in the opinion of the Board is not disqualified to become a Director as per the above provision, and in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as Director of the Company.

Independent Directors

For appointing any person as an Independent Director he/she should satisfy the criteria of an Independent Director as per the applicable laws.

Senior Management Personnel and KMP and Other Employees

The Company has an Organisation Chart displaying positions of Senior Management including KMP and other positions with the minimum qualifications and experience requirements for each positions which commensurate with the size of its business and the nature and complexity of its operations. Any new recruit in the Company will match the requirements.

Remuneration:

Structure of Remuneration for the Managing Director, Key Managerial Personnel and Senior Management Personnel;

Key Managerial Personnel, who are Executive Directors, receive Salary, Perquisites and Commission on Net profit. The Overall Remuneration received by them will be within the permissible limit provided in the Companies Act, 2013. KMP, other than Executive Directors, Senior Management Personnel receive Basic Salary, Perquisites and Bonus (Ex gratia) . Perquisites include other allowances. The total salary includes fixed and variable components.

The Company's policy is that the total fixed salary should be fair and reasonable after taking into account the following factors:

- The scope of duties, the role and nature of responsibilities
- The level of skill, knowledge and experience of individual
- Core performance requirements and expectations of individuals
- The Company's performance and strategy

Performance linked salary:

The annual increase in the salary will be based purely on their performance.

Remuneration for Non-executive Director:

The total remuneration of Non- executive Directors may include all, or any combination of following elements:

- Fees for attending meeting of the Board of Directors and Committee thereof.
- Commission on net profits as permissible under Section 197 of the Companies Act, 2013 and decided by the Board from time to time to be payable to each of the Non-executive Director.
- Non-Executive Directors are entitled to be paid all traveling and other expenses they incur for attending to the Company's affairs, that may be fair and reasonable expenditure incurred by them while performing their role as Independent Directors

Structure of Remuneration for Other Employees

The power to decide structure of remuneration for other employees has been delegated to Shri Vidyashankar Krishnan, Vice Chairman & Managing Director and to Shri K. Venkatramanan, Joint Managing Director of the Company. Their report will be submitted in the Committee Meeting for their approval.

Performance Evaluation:

Executive Directors and Non-Executive Directors

The performance of the Board as a whole, of its committees, and of its members shall be evaluated at least once a year keeping in view the objectives of the Company. The results of board evaluation shall remain confidential between the Chairman and Directors concerned. The evaluation process will be used constructively as a mechanism to improve board effectiveness and maximize strengths.

Criteria for evaluating Board members:

Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act states that the Independent Directors shall at its separate meeting review performance of non- independent Directors and the Board as a whole and the performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated.

Criteria for evaluating KMP (Other than Executive Directors), Senior Management Personnel and Other employees:

Criteria for evaluating performance of KMP, Senior Management Personnel and Other Employees has been delegated to Shri Vidyashankar Krishnan, Vice Chairman & Managing Director and to Shri K. Venkatramanan, Joint Managing Director of the Company. The Criteria for evaluation will be appraised and approved by the Nomination and Remuneration Committee

General Criteria for determining appointment, qualifications, positive attributes, independence of a Director, KMP and other employees:

The Board shall have minimum 3 and maximum 15 Directors, unless otherwise approved.

No person of age less than 21 years shall be appointed as a Director on the Board.

The Company shall have such person on the Board who complies with the requirements of the Companies Act, 2013, Provisions of the Listing Agreement, Memorandum of Association and Articles of Association of the Bank and all other statutory provisions and guidelines as may be applicable from time to time.

Majority of the Directors shall have specialised knowledge/experience in the areas like Agriculture, Banking, SSI, Legal, Risk Management, Accountancy, Finance, Windmill, manufacturing of forgings etc.

Except for the Vice Chairman and Managing Director and the Joint Managing Director, no other Directors are paid remuneration, but are paid only sitting fees and Commission subject to the ceiling provided in the Companies Act, 2013.

Vice Chairman and Managing Director / CEO, Company Secretary and Chief Financial Officer shall be the Key Managerial Personnel (KMPs) of the Company.

All persons who are Directors / KMPs, members of Senior Management and all other employees shall abide by the Code of Conduct. Directors/KMPs shall not acquire any disqualification and shall be persons of sound integrity and honesty, apart from knowledge, experience, etc. in their respective fields.

Amendment

The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding

7.2 Composition of the Committee:

The Committee was reconstituted as on 01 April 2017, by way of Circular Resolution as follows:

Shri. V. Vaidyanathan (Chairman), Shri. N. Srinivasan, Shri. K. Venkatramanan, Shri. A. Gopalakrishnan and Smt. Kavitha Vijay.

7.3 Date of Meetings: (Total no. of meetings – 4) 09 May 2016, 11 August 2016, 03 November 2016 and 13 February 2017

7.4 Attendance:

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

7.5 Performance evaluation criteria for Independent Directors:

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

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

Matters taken into consideration for performance evaluation.

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

8. Whistle Blower Protection Committee:

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

*Instances of unethical behaviour, actual or suspected, fraud or violation of the Company's Code or Ethics.

*In case of any event of misconduct, act of misdemeanor or act not in Company's interest, which could affect the business or reputation of the Company.

8.2 Composition of the Committee: Shri Vidyashankar Krishnan (Chairman), Shri K. Venkatramanan, Shri. N. Ramnath, Shri. M.N. Rajesekaran

8.3 Date of Meetings: : (Total no. of meetings – 4) 09 May 2016, 11 August 2016, 03 November 2016 and 13 February 2017

8.4 The Committee has not received any whistle Blower during the year 2016-17. No personnel has been denied access to Audit Committee.

9. Directors Remuneration:

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

Amt in Rs.

	Mr. Vidyashankar Krishnan		Mr. K. Venkatramanan	
	2017	2016	**2017**	2016
Salary	20,035,875	20,035,875	19,044,000	19,044,000
Perquisites				
Provident Fund	1,535,356	1,560,156	1,535,356	1,560,156
Superannuation	2,053,200	1,785,400	2,053,200	1,785,400
Gratuity Insurance	488,003	488,003	488,003	488,003
Others	226,290	274,578	125,966	135,885
Commission on Profits	6,165,000	13,400,000	6,165,000	13,400,000
Total	**30,503,724**	**37,544,012**	**29,411,525**	**36,413,444**

9..2 Remuneration of non – executive Directors:

		Commission in ₹	Sitting Fees in ₹	Total in ₹
Shri. N. Srinivasan	2015-16	7,50,000	60,000	8,10,000
	2016-17	7,50,000	30,000	7,80,000
Shri. V. Vaidyanathan	2015-16	400,000	80,000	4,80,000
	2016-17	4,00,000	80,000	4,80,000
Shri. A. Gopalakrishnan	2015-16	3,00,000	80,000	3,80,000
	2016-17	3,00,000	60,000	3,60,000
Smt. Kavitha Vijay	2015-16	3,00,000	52,000	3,52,000
	2016-17	3,00,000	60,000	3,60,000

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

9.3. All Pecuniary relationship of Non Executive Directors : Nil

9.4. Criteria of making payments to Non Executive Directors:

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

10. General Meetings:

10.1 Location and time, where last three AGMs held:

Financial year	Date	Time	Location
2013-14	27 August 2014	11.45 A.M	Narada Gana Sabha, Chennai
2014-15	26 August 2015	11.45 A.M	Narada Gana Sabha, Chennai
2015-16	06 Sept 2016	12.00 Noon	The Music Academy, Chennai

10.2 Special Resolutions passed in the previous 3 AGMs:

10.2.1 Resolution passed by way of Postal Ballot in 2014

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

10.2.1.2 To increase the Borrowing limits upto ₹ 500 Crores.

11. Disclosures:

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

11.2 Directors and Key Managerial Personnel are considered to be interested to the extent of their shareholding in the Company and following is the status of their shareholding as on 31 March 2017

Name	Category	No. of shares	% to total
Shri. V.Vaidyanathan	Non-Executive Director	6000	0.05
Shri. A.Gopalakrishnan	Non-Executive Director	800	0.01
Shri. Vidyashankar Krishnan	Executive Director	1360120	11.27
Shri. K. Venkatramanan	Executive Director	1292480	10.71
Smt. J. Sumathi	Company Secretary	200	0.0
Shri. R Venkatakrishnan	Chief Financial Officer	1200	0.01

11.3 Compliances by the Company:

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

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

11.5 Disclosures regarding appointment or reappointment of Director:

This year Shri. K. Venkatramanan Joint Managing Director of the Company, shall retire as a Director and being eligible, offer himself for reappointment.

12. **Means of communication**

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

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

12.3 The financial results, official news releases and presentation made to Institutional Investors are displayed on the website of the Company, www.mmforgings.com.

13. **General Shareholders Information**

13.1 Date, time and venue of the Annual General Meeting Annual General Meeting is proposed to be held on The Music Academy, (Mini Hall)

13.2 Financial year :01 April 2016 to 31 March 2017

13.3 Book Closure and Record Date : Book Closure: 31 August 2016 to 06 September 2016.

13.4 Dividend payment date : 09 September 2016

13.5 Listing on Stock Exchanges :

The shares of the Company are listed at:

13.5.1 Bombay Stock Exchange Limited

Rotunda Building, P.J.Towers, First Floor, New Trading Wing, Dalal Street, Mumbai –400 001. Annual Listing fees has been paid as on date

13.5.2 National Stock Exchange of India Ltd

'Exchange Plaza', Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051 Annual Listing Fees has been paid as on date.

13.6 Stock Exchange Security Code : Physical :

Bombay Stock Exchange Scrip Code:522241 Name of the Scrip : MMFORG

National Stock Exchange Scrip Code: MMFL Name of the Scrip : MMFL – EQ

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

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

13.7 Registrar and Transfer Agents:

Cameo Corporate Services Limited, Unit: M M Forgings Limited, "Subramanian Building" Fifth Floor, No. 1, Club House Road, Chennai – 600 002 Phone Nos. : 28460390 - 94

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

13.8 Share Transfer System

- The Share Transfer Agent acknowledges and executes transfers of securities. The Share Transfer Committee approves the transfers etc.
- They arrange for issue of dividend. They reconcile the Dividend paid with that of the list of the shareholders.
- They also accepts, deals with and resolves complaints of the shareholders. Shareholder complaints are given top priority by the Company and are replied to, promptly by the Secretarial Department and Share Transfer Agents.
- Remat requests are processed within the time prescribed.

- Demat requests are processed within the time prescribed.
- The Company's Registrar and share Transfer Agents, Cameo Corporate Services Limited have adequate infrastructure to process the share transfers.

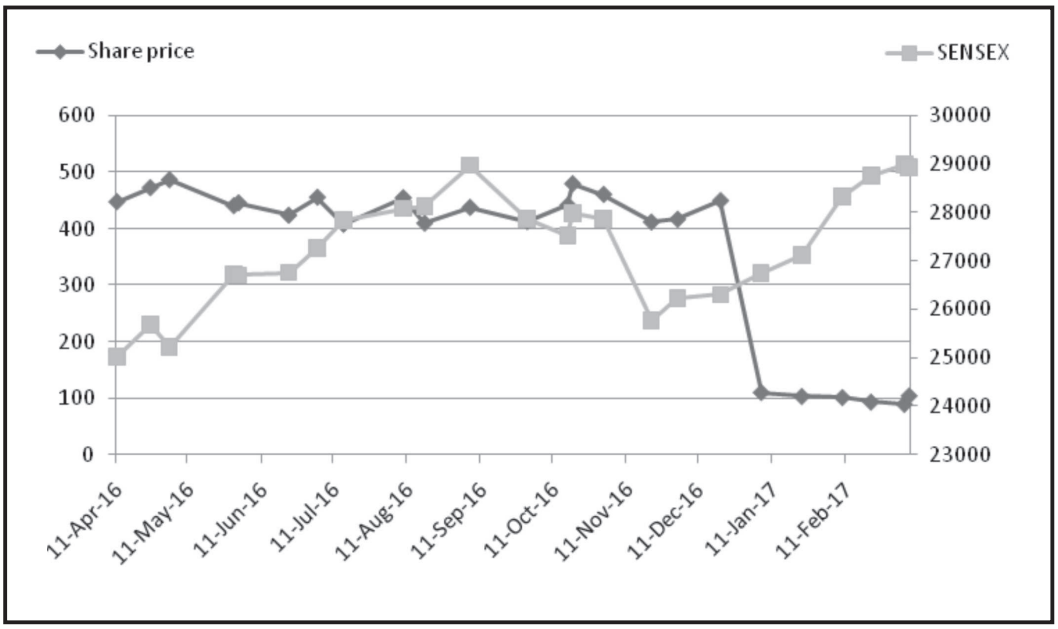
13.9 Pattern of shareholding as on 31 March 2017

No. of equity shares held	No. of shareholders	% to total	No. of shares held	% of shareholding
1-500	7784	91.66	7548570	6.25
501-1000	350	4.12	2733850	2.26
1001-2000	155	1.82	2264030	1.88
2001-3000	53	0.62	1373770	1.14
3001-4000	32	0.38	1182850	0.98
4001-5000	21	0.25	992040	0.82
5001-10000	37	0.44	2701660	2.24
10000&above	60	0.71	101907230	84.43
TOTAL	8492	100.00	12070400	100.00

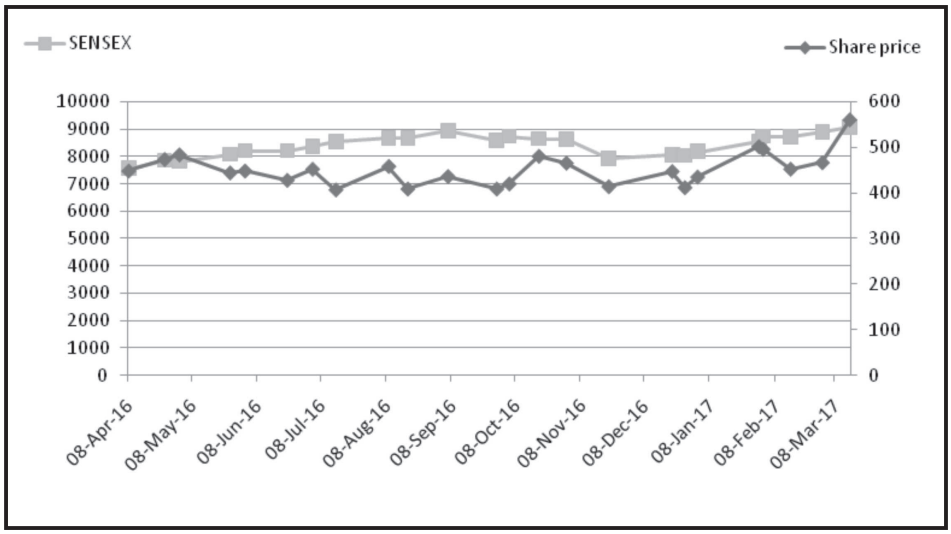
13.10 Shareholding pattern as on 31 March 2017

	No. of Share -holders	% to total	No. of shares held	% of share-holding
Resident Indians	8081	95.16	2929175	24.27
FII	1	0.01	100	0
Financial Institutions/banks	2	0.02	5406	0.04
NRIs	176	2.08	66479	0.55
Domestic Company	206	2.43	301956	2.50
Trust	3	0.03	54852	0.46
Mutual Funds	13	0.15	1903707	15.77
Promoters	10	0.12	6808725	56.41
Total	8492	100.00	12070400	100.00

13.11 Share Performance BSE vs SENSEX



13.12 Share Performance NSE vs Nifty



13.13 Share price data

	Bombay Stock Exchange		National Stock Exchange	
Month	**High (₹)**	**Low (₹)**	**High (₹)**	**Low (₹)**
Apr 16	473	448	474	449
May 16	487	441	484	445
Jun 16	446	424	449	429
Jul 16	456	408	453	408
Aug 16	455	410	459	410
Sep 16	438	413	437	410
Oct 16	480	442	481	421
Nov 16	461	412	466	415
Dec 16	450	417	448	413
Jan 16	110	103	502	436
Feb 17	101	93	496	453
Mar 17	104	89	560	467

13.14 Total dematerialized shares as on 31 March 2017 - 1,18,08,071 Shares (97.83%)
Promoters: 6808725 (56.41%) Public: 49,99,346 (41.42%)

13.15 Details of public funding obtained in the last three years
No capital has been raised in the last three years by way of public issue

13.16 Outstanding GDRs / ADRs / Warrants or any convertible instruments etc
As on 31 March 2017 the company has not issued these types of securities

13.17 Plant Location

13.17.1 Singampunari – 624 502

13.17.2 Viralimalai – 621 316

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

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

13.17.5 Wind farm at Meenakshipuram Village, Theni District.

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

13.17.7 Solar Plant at Bommakkottai, Kalayar Karisalkulam Village, Virudhunagar District, Aruppukottai – 626 105.

13.17.8 Solar Plant at Roof Top, Viralimalai

13.18 Address for correspondence :
With effect from 26 April 2017, the Registered Office of the Company has been changed from 95, Anna salai, Guindy, chennai – 600 032 to : 'SVK TOWERS', A 25, 8th Floor, Industrial Estate, Guindy, Chennai – 600 032. Email: mmforge@mmforgings.com

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

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

13.21 Website : www.mmforgings.com

13.22 Details of Bonus shares Unclaimed:

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

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

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

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

No. of shareholders to whom shares were transferred - 1

No. of shareholders at the end of the year– 65

No. of outstanding shares at the end of the year – 7800

13.22.2 Details of bonus share certificates returned undelivered – Bonus issue 2008

No. of shareholders at the beginning of the year – 73

No. of outstanding shares at the beginning of the year – 15600

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

No. of shareholders to whom shares were transferred - 0

No. of shareholders at the end of the year– 73

No. of outstanding shares at the end of the year –15600

13.22.3 Unclaimed bonus share certificates had been credited to Suspense Account. The shares shall be issued either in demat form or physical form, when the rightful owner of such shares claims the shares.

13.22.4 Reminder letters have been sent to those shareholders who have not claimed their bonus shares.

14. Shares to be transferred to IEPF account of the Government:

As per the new Government Regulations issued in this behalf, any shareholder who have not claimed the Dividend for a period of 7 years, the shares of those shareholders have to be transferred to the IEPF account of the Government. The shareholders can claim it from the Government.

As per the reconciliation made, the list of shareholders, whose shares to be transferred to IEPF Account of Government, is available at the Company's website. www.mmforgings.com

15. Other Disclosures :

15.1 Disclosure in Material Significant related party transactions : Nil

15.2 Details of Non Compliance, Penalities, Structures imposed on any matter connected with Capital market : Nil

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

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

15.5 Policy for determining related party transaction is disclosed in Company's website www.mmforgings.com.

15.6 Commodity price risk and hedging activities : These have been disclosed under Management Discussion and Analysis.

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

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

15.7.2 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.

For and On behalf of the Board

Place : Chennai
Date : 19 May 2017

Vidyashankar Krishnan
Chairman of this meeting
(DIN 00081441)

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 2017, 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. Ramesh Kumar & Co
Chartered Accountants
FRN: 003010S

G. Ramesh Kumar
Partner
Membership No. 200/18663

Place: Tiruchirapalli
Date : 19.05.2017

CEO and CFO Certification

We hereby certify that

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

a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2017 and to the best of our knowledge and belief :

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) 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.

b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2017 are fraudulent, illegal or violative of the Company's code of conduct.

c) 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.

d) i) There has not been any significant change in internal control over financial reporting during the year under reference;

ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and

iii) 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 : 19 May 2017	*Vice Chairman and Managing Director*	*Chief Financial Officer*

Declaration to the Members pursuant / SEBI (LODR)

I MM Forgings Ltd laid down a code of condcut for all Board members and Senior Management. All the Directors and the Senior Management personnel of the company have affirmed compliance with the Code of Conduct, for the Financial Year ended 31 March 2017.

For M M Forgings Limited

Place : Chennai
Date : 19 May 2017

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

ANNEXURE IV TO DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31 March 2017

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

I REGISTRATION AND OTHER DETAILS:

i) CIN:- L51102TN1946PLC001473

ii) Registration Date : 21 February 1946

iii) Name of the Company : M M Forgings Limited

iv) Category / Sub-Category of the Company : Manufacturing

v) Address of the Registered office and contact details: ' SVK Towers' A 24/25, Thiru-vi-ka Industrial Estate, Guindy, Chennai - 600032. Phone : 044 71601000 Fax : 044 71601010

vi) Whether listed company : Yes

vii) Name, Address and Contact details of Registrar and Transfer

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Forgings	25910	97%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and address of the Company	CIN/GLN	Holding/Subsidiary / Associate	% of sharesheld	ApplicableSection
1	**NIL**				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

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

i) Category-wise Share Holding

Category of the Director	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change duringthe year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% ofTotal Shares	
2. Foreign									
A. Individuals (Non-resident Individuals/Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
B. Bodies Corporate	0	0	0	0.0000	0	0	0	0.0000	0.0000
C.Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
D. Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
E. Any Other									
Sub - Total (A)(2)	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0.0000**
Total Share Holding Ofpromoter And Promotergroup (A) = (A)(1)+(A)(2)	**6808725**	**0**	**6808725**	**56.4084**	**6808725**	**0**	**6808725**	**56.4084**	**0.0000**
B. Public Shareholding									
1. Institutions									
A. Mutual Funds/Uti	1651345	2400	1653745	13.7008	1901307	2400	1903707	15.7716	2.0708
B. Financial Institutions/Banks	838	0	838	0.0069	5406	0	5406	0.0447	0.0378
C. Central Government/ State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
D. Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
E. Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
F. Foreign Institutional investors	408580	100	408680	3.3858	0	100	100	0.0008	-3.3849
G. Foreign Venture capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
H. Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
I. Any Other									
Sub - Total (B)(1)	**2060763**	**2500**	**2063263**	**17.0935**	**1906713**	**2500**	**1909213**	**15.8173**	**-1.2762**
2. Non-institutions									
A. Bodies Corporate	245315	3000	248315	2.0572	298956	3000	301956	2.5016	0.4444
B. Individuals -									
I Individual Shareholders holding Nominal Share Capitalupto Rs. 1 Lakh	1404920	171029	1575949	13.0563	1428063	159829	1587892	13.1552	0.0989
II Individual Shareholders holding Nominal Share Capitalin Excess Of Rs. 1 Lakh	1117137	85200	1202337	9.9610	1140344	85200	1225544	10.1533	0.1922
C. Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
D. Any Other									
Clearing Members	3266	0	3266	0.0270	8245	0	8245	0.0683	0.0412\
Hindu Undivided Families	87462	0	87462	0.7245	107494	0	107494	0.8905	0.1659
Non Resident Indians	53876	12500	66376	0.5499	54679	11800	66479	0.5507	0.0008
Trusts	14707	0	14707	0.1218	54852	0	54852	0.4544	0.3325
	159311	**12500**	**171811**	**1.4234**	**225270**	**11800**	**237070**	**1.9640**	**0.5406**
Sub - Total (B)(2)	**2926683**	**271729**	**3198412**	**26.4979**	**3092633**	**259829**	**3352462**	**27.7742**	**1.2762**
Total Public Share holding(b) = (B)(1)+(B)(2)	**4987446**	**274229**	**5261675**	**43.5915**	**4999346**	**262329**	**5261675**	**43.5915**	**0.0000**
Total (A)+(B)	**11796171**	**274229**	**12070400**	**100.0000**	**11808071**	**262329**	**12070400**	**100.0000**	**0.0000**

i) Category-wise Share Holding

Category of the Director	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change duringthe year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% ofTotal Shares	
Shares Held By Custodians And Againstwhich De Pository Receipt Shave Been Issued									
Promoter And Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total Custodian (C)	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0.0000**
Grand Total (A)+(B)+(C)	**11796171**	**274229**	**12070400**	**100.0000**	**11808071**	**262329**	**12070400**	**100.0000**	**0.0000**

(ii)*Shareholding of Promoters*

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

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

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SYNMAX CONSULTANTS & TRADING PVT LTD				
	At the beginning of the year 01-Apr-2016	2898000	24.0091	2898000	24.0091
	At the end of the Year 31-Mar-2017	2898000	24.0091	2898000	24.0091
2	VIDYASHANKAR KRISHNAN				
	JT1 : SUMITA VIDYASHANKAR				
	At the beginning of the year 01-Apr-2016	1360120	11.2682	1360120	11.2682
	At the end of the Year 31-Mar-2017	1360120	11.2682	1360120	11.2682
3	K VENKATRAMANAN				
	At the beginning of the year 01-Apr-2016	1292480	10.7078	1292480	10.7078
	At the end of the Year 31-Mar-2017	1292480	10.7078	1292480	10.7078
4	SIVASUNDAR PRIVATE LTD				
	At the beginning of the year 01-Apr-2016	468600	3.8822	468600	3.8822
	At the end of the Year 31-Mar-2017	468600	3.8822	468600	3.8822
5	S LAKSHMAN				
	At the beginning of the year 01-Apr-2016	380779	3.1546	380779	3.1546
	At the end of the Year 31-Mar-2017	380779	3.1546	380779	3.1546
6	LAKSHMI RAMACHANDRAN				
	At the beginning of the year 01-Apr-2016	283990	2.3527	283990	2.3527
	At the end of the Year 31-Mar-2017	283990	2.3527	283990	2.3527
7	R SUBRAMONIAN				
	JT1 : SUMITAVIDYASHANKAR				
	At the beginning of the year 01-Apr-2016	77600	0.6428	77600	0.6428
	At the end of the Year 31-Mar-2017	77600	0.6428	77600	0.6428
8	AJAY SHANKAR RAMACHANDRAN				
	At the beginning of the year 01-Apr-2016	27000	0.2236	27000	0.2236
	At the end of the Year 31-Mar-2017	27000	0.2236	27000	0.2236
9	SUMITA VIDYASHANKAR				
	JT1 : VIDYASHANKAR KRISHNAN				
	At the beginning of the year 01-Apr-2016	16400	0.1358	16400	0.1358
	At the end of the Year 31-Mar-2017	16400	0.1358	16400	0.1358
10	VIJAY SUNDAR RAMACHANDRAN				
	At the beginning of the year 01-Apr-2016	3756	0.0311	3756	0.0311
	At the end of the Year 31-Mar-2017	3756	0.0311	3756	0.0311

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	FRANKLIN INDIA SMALLER COMPANIES FUND				
	At the beginning of the year 01-Apr-2016	689341	5.7110	689341	5.7110
	Purchase 15-Apr-2016	50000	0.4142	739341	6.1252
	Purchase 22-Apr-2016	50000	0.4142	789341	6.5394
	At the end of the Year 31-Mar-2017	789341	6.5394	789341	6.5394
1	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN BUILD INDIA FUND (FBIF)				
	At the beginning of the year 01-Apr-2016	170000	1.4084	170000	1.4084
	Purchase 13-May-2016	5000	0.0414	175000	1.4498
	Purchase 22-Jul-2016	74228	0.6149	249228	2.0647
	At the end of the Year 31-Mar-2017	249228	2.0647	249228	2.0647
1	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA OPPORTUNITIES FUND				
	At the beginning of the year 01-Apr-2016	118429	0.9811	118429	0.9811
	Sale 08-Apr-2016	-23765	0.1968	94664	0.7842
	Sale 15-Apr-2016	-44488	0.3685	50176	0.4156
	Sale 22-Apr-2016	-50176	0.4156	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000
1	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA HIGH GROWTH COMPANIES FUND				
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000
	Purchase 22-Jul-2016	106889	0.8855	106889	0.8855
	At the end of the Year 31-Mar-2017	106889	0.8855	106889	0.8855
2	HDFC TRUSTEE COMPANY LIMITED A/C HDFC BALANCED FUND				
	At the beginning of the year 01-Apr-2016	303500	2.5144	303500	2.5144
	At the end of the Year 31-Mar-2017	303500	2.5144	303500	2.5144

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	SWISS FINANCE CORPORATION (MAURITIUS) LIMITED				
	At the beginning of the year 01-Apr-2016	296867	2.4594	296867	2.4594
	Sale 27-May-2016	-1973	0.0163	294894	2.4431
	Sale 03-Jun-2016	-6706	0.0555	288188	2.3875
	Sale 10-Jun-2016	-12772	0.1058	275416	2.2817
	Sale 01-Jul-2016	-7910	0.0655	267506	2.2162
	Sale 08-Jul-2016	-84250	0.6979	183256	1.5182
	Sale 22-Jul-2016	-183256	1.5182	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000
4	ANIL KUMAR GOEL				
	At the beginning of the year 01-Apr-2016	175000	1.4498	175000	1.4498
	Sale 19-Aug-2016	-953	0.0078	174047	1.4419
	Sale 14-Oct-2016	-2047	0.0169	172000	1.4249
	Sale 21-Oct-2016	-4000	0.0331	168000	1.3918
	Sale 03-Feb-2017	-1000	0.0082	167000	1.3835
	Sale 17-Mar-2017	-2572	0.0213	164428	1.3622
	At the end of the Year 31-Mar-2017	164428	1.3622	164428	1.3622
5	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECTMICROCAP SERIES VI				
	At the beginning of the year 01-Apr-2016	140608	1.1648	140608	1.1648
	Purchase 07-Oct-2016	869	0.0071	141477	1.1720
	Purchase 11-Nov-2016	4802	0.0397	146279	1.2118
	Purchase 18-Nov-2016	4023	0.0333	150302	1.2452
	Purchase 25-Nov-2016	1000	0.0082	151302	1.2534
	At the end of the Year 31-Mar-2017	151302	1.2534	151302	1.2534
5	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECTMICROCAP SERIES V				
	At the beginning of the year 01-Apr-2016	105166	0.8712	105166	0.8712
	At the end of the Year 31-Mar-2017	105166	0.8712	105166	0.8712
5	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECTMICROCAP SERIES VII				
	At the beginning of the year 01-Apr-2016	73772	0.6111	73772	0.6111

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Purchase 07-Oct-2016	301	0.0024	74073	0.6136
	Purchase 11-Nov-2016	2641	0.0218	76714	0.6355
	Purchase 18-Nov-2016	2297	0.0190	79011	0.6545
	Purchase 25-Nov-2016	601	0.0049	79612	0.6595
	At the end of the Year 31-Mar-2017	79612	0.6595	79612	0.6595
5	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECTMICROCAP SERIES VIII				
	At the beginning of the year 01-Apr-2016	25786	0.2136	25786	0.2136
	Purchase 08-Apr-2016	726	0.0060	26512	0.2196
	Purchase 02-Sep-2016	246	0.0020	26758	0.2216
	Purchase 09-Sep-2016	1754	0.0145	28512	0.2362
	Purchase 11-Nov-2016	1024	0.0084	29536	0.2446
	Purchase 18-Nov-2016	1503	0.0124	31039	0.2571
	At the end of the Year 31-Mar-2017	31039	0.2571	31039	0.2571
5	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECTMICROCAP SERIES IX				
	At the beginning of the year 01-Apr-2016	15059	0.1247	15059	0.1247
	Purchase 08-Apr-2016	430	0.0035	15489	0.1283
	Purchase 02-Sep-2016	123	0.0010	15612	0.1293
	Purchase 09-Sep-2016	877	0.0072	16489	0.1366
	Purchase 07-Oct-2016	771	0.0063	17260	0.1429
	Purchase 11-Nov-2016	309	0.0025	17569	0.1455
	Purchase 18-Nov-2016	455	0.0037	18024	0.1493
	At the end of the Year 31-Mar-2017	18024	0.1493	18024	0.1493
5	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECTMICROCAP SERIES X				
	At the beginning of the year 01-Apr-2016	9684	0.0802	9684	0.0802
	Purchase 08-Apr-2016	280	0.0023	9964	0.0825
	Purchase 02-Sep-2016	123	0.0010	10087	0.0835
	Purchase 09-Sep-2016	877	0.0072	10964	0.0908
	Purchase 07-Oct-2016	515	0.0042	11479	0.0951
	Purchase 11-Nov-2016	194	0.0016	11673	0.0967
	Purchase 18-Nov-2016	286	0.0023	11959	0.0990
	At the end of the Year 31-Mar-2017	11959	0.0990	11959	0.0990

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	SUNDARAM MUTUAL FUND A/C SUNDARAM LONG TERM MICRO CAP TAX ADVANTAGE FUND SERIESIII				
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000
	Purchase 09-Dec-2016	53047	0.4394	53047	0.4394
	At the end of the Year 31-Mar-2017	53047	0.4394	53047	0.4394
5	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECTMICRO CAP SERIES XI				
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000
	Purchase 30-Dec-2016	2200	0.0182	2200	0.0182
	At the end of the Year 31-Mar-2017	2200	0.0182	2200	0.0182
6	MEENAKSHI SUBRAMANIAM				
	At the beginning of the year 01-Apr-2016	116762	0.9673	116762	0.9673
	Purchase 13-May-2016	563	0.0046	117325	0.9720
	Purchase 27-May-2016	255	0.0021	117580	0.9741
	Purchase 03-Jun-2016	3	0.0000	117583	0.9741
	At the end of the Year 31-Mar-2017	117583	0.9741	117583	0.9741
7	MERRILL LYNCH CAPITAL MARKETS ESPANA S.A. S.V.				
	At the beginning of the year 01-Apr-2016	106800	0.8848	106800	0.8848
	Sale 01-Jul-2016	-617	0.0051	106183	0.8796
	Sale 08-Jul-2016	-6183	0.0512	100000	0.8284
	Sale 15-Jul-2016	-6000	0.0497	94000	0.7787
	Sale 29-Jul-2016	-6500	0.0538	87500	0.7249
	Sale 05-Aug-2016	-12500	0.1035	75000	0.6213
	Sale 12-Aug-2016	-4000	0.0331	71000	0.5882
	Sale 26-Aug-2016	-71000	0.5882	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000
8	SUNDARAM NARAYANAN . JT1 : JALAJA NARAYANAN .				
	At the beginning of the year 01-Apr-2016	75600	0.6263	75600	0.6263
	At the end of the Year 31-Mar-2017	75600	0.6263	75600	0.6263

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	VISHNU SRIVATSAN				
	At the beginning of the year 01-Apr-2016	72768	0.6028	72768	0.6028
	Purchase 30-Sep-2016	120	0.0009	72888	0.6038
	Purchase 07-Oct-2016	139	0.0011	73027	0.6050
	At the end of the Year 31-Mar-2017	73027	0.6050	73027	0.6050
10	CAWAS MISTRY				
	JT1 : ZARIN MISTRY				
	At the beginning of the year 01-Apr-2016	53056	0.4395	53056	0.4395
	At the end of the Year 31-Mar-2017	53056	0.4395	53056	0.4395
	NEW TOP 10 AS ON (31-Mar-2017)				
11	SANDHYA G PARIKH				
	JT1 : GOVINDLAL M PARIKH				
	At the beginning of the year 01-Apr-2016	23919	0.1981	23919	0.1981
	Purchase 30-Sep-2016	6372	0.0527	30291	0.2509
	Purchase 07-Oct-2016	5865	0.0485	36156	0.2995
	Purchase 11-Nov-2016	8581	0.0710	44737	0.3706
	Purchase 18-Nov-2016	2805	0.0232	47542	0.3938
	Purchase 25-Nov-2016	7950	0.0658	55492	0.4597
	Purchase 09-Dec-2016	19704	0.1632	75196	0.6229
	Purchase 16-Dec-2016	16500	0.1366	91696	0.7596
	Purchase 30-Dec-2016	3000	0.0248	94696	0.7845
	Purchase 06-Jan-2017	893	0.0073	95589	0.7919
	Purchase 13-Jan-2017	1937	0.0160	97526	0.8079
	Purchase 20-Jan-2017	2180	0.0180	99706	0.8260
	Purchase 27-Jan-2017	1702	0.0141	101408	0.8401
	Purchase 17-Feb-2017	281	0.0023	101689	0.8424
	Purchase 03-Mar-2017	5231	0.0433	106920	0.8858
	Purchase 10-Mar-2017	31411	0.2602	138331	1.1460
	Purchase 24-Mar-2017	1	0.0000	138332	1.1460
	At the end of the Year 31-Mar-2017	138332	1.1460	138332	1.1460

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**VIDYASHANKAR KRISHNAN** Vice chairman and Managing Director and CEO At the beginning of the year and at the end of the Year. No change during the year	1360120	11.27	1360120	11.27
2	**K. VENKATRAMANAN** At the beginning of the year and at the end of the Year. No change during the year	- 1292480	- 10.71	1292480	10.71
3	**V.VAIDYANATHAN** At the beginning of the year and at the end of the Year. No change during the year	6000	0.05	6000	0.05
4	**A.GOPALAKRISHNAN** At the beginning of the year and at the end of the Year. No change during the year	800	0.01	800	0.01
5	**R VENKATAKRISHNAN (CFO)** At the beginning of the year and at the end of the Year. No change during the year	1200	0.01	1200	0.01
6	**J SUMATHI** **(Company Secretary)** At the beginning of the year and at the end of the Year No change during the year	200	0.00	200	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment Amt in Rs.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financialyear				
i) Principal Amount	2135315674	0	0	2135315674
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but notdue	2064481	0	0	2064481
Total (i+ii+iii)	**2137380155**	**0**	**0**	**2137380155**
Change in Indebtedness during the financial year				
· Addition	546826385	0	0	546826384
· Reduction	446766105	0	0	446766105
Net Change	1000060280	0	0	1000060280
Indebtedness at theend of the financial year				
i) Principal Amount	2235791746	0	0	2235791746
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but notdue	1648688	0	0	1648688
Total (i+ii+iii)	**2237440434**	**0**	**0**	**2237440434**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Amt in Rs.

Sl.No.	Particulars of Remuneration	Name of MD/ WTD		Total amount
		Vidyashankar Krishnan	K.Venkatramanan	
1	Gross Salary			
	a) Salary as per provisions contained in section 17 (1) of the Income tax Act	2,00,35,875	1,90,44,000	3,90,79,875
	b) Value of perquisites u/s 17 (2) of Income tax Act	43,02,849	42,02,525	85,05,374
	c) Profits in lieu of salary under section 17 (3) of Income tax Act	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission-			
	As % of profit- As others, specify	61,65,000	61,65,000	5,99,15,248
5	Others, specify	-	-	-
	TOTAL (A)	3,05,03,724	2,94,11,525	5,99,15,248
	Ceiling as per the Act	3,05,08,555	3,05,08,555	6,10,17,110

B. Remuneration to other Directors:

Sl.No.	Particulars of remuneration	Name of Directors				Total amount
		N. Srinivasan	V.Vaidyanathan	A.Gopalakrishnan	Kavitha Vijay	
1	Independent Directors					
	● Fee for attending board/ committee meetings	30,000	80,000	60,000	52,500	2,22,500
	● Commission	7,50,000	4,00,000	3,00,000	3,00,000	17,50,000
	● Others, please specify	-	-	-	-	
	Total (1)	7,80,000	4,80,000	3,60,000	3,52,000	19,72,000
2	Other Non Executive Directors					
	● Fee for attending board/ committee meetings	-	-	-	-	
	● Commission	-	-	-	-	
	● Others, please specify	-	-	-	-	
	Total (2)	**-**	**-**	**-**	**-**	
	Total (b) = (1 +2)	7,80,000	4,80,000	3,60,000	3,52,000	19,72,000
	Ceiling as per Act	15,32,767	15,32,767	15,32,767	15,32,767	61,31,068

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

Amt in Rs.

Sl.No.	Particulars of Remuneration	Key Managerial Personnel		Total amount
		J. Sumathi, Company Secretary	R. Venkatakrishnan, Chief FinancialOfficer	
1	Gross Salary			
	a) Salary as per provisions contained in section 17 (1) of the Income tax Act	9,99,650	14,17,386	24,17,036
	b) Value of perquisites u/s 17 (2) of Income tax Act	0	0	0
	c) Profits in lieuof salary under section 17 (3) of Income tax Act	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	-As % of profit	0	0	0
	-As others, specify			
5	Others, specify	-		
	TOTAL (A)	9,99,650	14,17,386	24,17,036

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCAL YEAR ENDED 31.03.2017

[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 25, 8th FLOOR, INDUSTRIAL ESTATE,
GUINDY, CHENNAI-600032

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and made available to me and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I, on strength of those records, and information so provided, hereby report that in my opinion and understanding, the company, during the audit period covering the financial year ended on 31st March, 2017, 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, 2017 according to the provisions as applicable to the Company during the period of audit:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment, imports and export of goods and services;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

  (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

  (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(vi) There are no laws/ Regulations (as amended from time to time), as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/industry.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India. .

(ii) The Listing Agreements entered into by the Company with the Stock Exchanges, where the equity shares of the Company are listed.

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

1. The Company has appointed a woman Director on its Board as per section 149(1) of the Companies Act, 2013.
2. During the audit period the provision as required under section 149(4) read with schedule iv and revised clause 49 of the listing agreement entered with the Stock Exchange.
3. The service of notice of annual general meeting together with the annual report of the company for the financial year 2016-17 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, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable other general laws including Industrial Laws, Environmental Laws, Human Resources and labour laws however a few updations are required to the labour law compliances.

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.

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

Place: Chennai

Date: 19 May 2017

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 25, 8th FLOOR, 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

INDEPENDENT AUDITOR'S REPORT

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

Report on the IND AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial statements of M/S. M M Forgings Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of The Companies Act, 2013 (The Act) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under section 133 of The Act, read with relevant rules issued thereunder. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding the assets of the company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design and implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and we plan and perform the Audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

1) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the financial position of the company as at 31st March 2017 and its **PROFIT** and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section 11 of section 143 of the Act , we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the said Order.

2) As required by section 143(3) of the Act, we report that:

   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;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of these books;

   c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act read with relevant rule issued thereunder.

e) On the basis of written representations received from the Directors as on March 31 2017, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017, 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 over financial reporting of the Company and the Operating effectiveness of such controls, refer to our separate Report in Annexure B and

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

i) The Company does not have any pending litigation which would impact its financial position.

ii) The Company did not have any long term contract including derivative contract for which there were any material foreseeable losses.

iii) There has been no delay in transferring the amounts, required to be transferred, to the investor education and protection fund.

iv) The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and the said disclosures are in accordance with the books of accounts maintained by the company. Refer to Note No 32 to the Financial Statements.

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

G. Ramesh Kumar
Partner
Membership No. 200/18663

Place: Tiruchirapalli
Date : 19.05.2017

ANNEXURE A TO THE AUDITOR'S REPORT

The Annexure referred to in Independent Auditor's Report to the members of the Company on the Financial Statements for the Year Ended 31.03.2017:

We report that

I a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

b) As explained to us, all the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable, considering the size and the verification having regard to the size of the company and the nature of its assets. No material discrepancies have been noticed on such physical verification.

c) The Title Deeds of Immovable Property are held in the name of the company.

II a) The inventories have been physically verified by the management during the year at reasonable intervals, except materials lying with third parties, where confirmations are obtained. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.

III The Company has neither granted nor taken any loans to and from companies, firms or other parties covered in the Register, maintained under Section 189 of the Companies Act, 2013.

IV The Company has not given any Loans, Investments, Guarantees and securities falling under section 185 / 186 of The Companies Act 2013.

V The Company has not accepted any Deposits from the Public or from the members.

VI The Central Government has not prescribed the maintenance of Cost Records under section 148 (1) of The Act.

VII a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Value Added Tax, Wealth Tax, Customs Duty, Excise Duty, Service Tax, Cess and other material statutory dues applicable to it.

b) The following taxes under Tamil Nadu VAT/Indian Income Tax Act are under dispute and appeals are pending before various forums. The company has already paid a sum of Rs 116.38 Lakhs against the disputed TN VAT.

Nature Of the Statute	Nature of Dues	Amount in ₹ in Lakhs	Period to which it relates	Forum where Appeal is Pending
TN VAT Act	Vat	196.64	Various Years	DC- Appeals
Income Tax Act	Income Tax	223.29	AY 2013-14	CIT Appeals
	Income Tax	406.54	AY 2014-15	CIT Appeals

VIII Based on our audit procedure and on the information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of its dues to Financial Institutions, Banks and debenture holders.

IX The Company has not raised any money by way of initial public offer or other public offer. The Company has availed the following term loans from banks: From State Bank of Travancore ₹ 53,50,67,451 Based on our audit, we report that the proceeds of the Term Loan 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 for the year is at ₹ 9953.13 Lakhs as against Term Loan availed of ₹ 5350.67 Lakhs.

X Based on the audit procedures performed and information and explanations given by the management, we report that no fraud, on or by the Company, has been noticed or reported during the year.

XI Based on the audit procedures performed and information and explanations given by the management, we report that the Company has paid / provided for Managerial Remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to The Act.

XII The Company is Not a Nidhi Company. Accordingly, para 3 (xii) of The Order is not applicable to the Company.

XIII Based on the audit procedures performed and information and explanations given by the management All the transactions with the related parties are in compliance with Sections 177/188 of the Companies Act 2013 were applicable and details of such transactions are duly reported in the Financial Statements as required by the applicable Accounting Standards.

XIV The Company has not made any preferential allotment or Private placement of shares or fully / partly convertible debentures during the year.

XV Based on the audit procedures performed and information and explanations given by the management The Company has not entered in to any Non Cash Transactions with Directors or persons connected with him as stipulated under section 192 of The Companies Act 2013.

XVI. No registration is required under Section 45 IA of The Reserve Bank of India Act.

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

G. Ramesh Kumar
Partner
Membership No. 200/18663

Place: Tiruchirapalli
Date : 19.05.2017

Annexure B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of M M Forgings Ltd ('the Company') as of 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to

future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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. Ramesh Kumar & Co
Chartered Accountants
FRN: 003010S

G. Ramesh Kumar
Partner
Membership No. 200/18663

Place: Tiruchirapalli
Date : 19.05.2017

Balance Sheet as at 31st March, 2017

(₹ in lakhs)

		Note No.	As at March 2017	As at March 2016
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
1.1	Share capital	3	1,207.04	1,207.04
1.2	Reserves and surplus	4	30,252.69	26,752.21
			31,459.73	27,959.25
2	**Non-current liabilities**			
2.1	Long-term borrowings	5	10,840.79	9,849.57
2.2	Deferred tax liabilities (net)		1,665.54	1,372.31
2.3	Other long-term liabilities	6	331.91	38.41
			12,838.24	11,260.28
3	**Current liabilities**			
3.1	Short-term borrowings	7	7,444.49	9,213.43
3.2	Trade payables	8	2,889.68	2,994.78
3.3	Other current liabilities	9	4,116.31	2,338.01
3.4	Short-term provisions	10	140.28	-
			14,590.76	14,546.22
	TOTAL		**58,888.73**	**53,765.76**
B	**ASSETS**			
1	**Non-current Assets**			
1.1	Fixed Assets			
1.1.1	Tangible Assets	11	31,993.85	26,241.70
1.1.2	Capital work-in-progress		1,372.33	2,960.99
			33,366.18	29,202.69
1.2	Non-current investments	12	17.10	17.10
1.3	Long-term loans and advances	13	866.37	559.13
1.4	Other non-current assets	14	796.55	324.13
			1,680.02	900.36
2	**Current Assets**			
2.1	Inventories	15	6,595.86	7,330.96
2.2	Trade receivables	16	1,724.47	1,497.61
2.3	Cash and cash equivalents	17	13,384.47	12,079.73
2.4	Short-term loans and advances	18	2,126.77	2,750.43
2.5	Other current assets	19	10.96	3.97
			23,842.53	23,662.70
			58,888.73	**53,765.76**

See accompanying notes forming part of the financial statements

In terms of our Report of even date

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

G.Ramesh Kumar
Partner
Membership no. 200 / 18663

Place : Chennai
Date : 19-05-2017

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

A. Gopalakrishnan
Director
(DIN : 06414546)

J.Sumathi
Company Secretary

V.Vaidyanathan
Director
(DIN : 00081792)

Kavitha Vijay
Director
(DIN : 01047261)

R.Venkatakrishnan
Chief Financial Officer

Profit and Loss account for the year ended 31st March, 2017

(₹ in lakhs)

			Note No.	For the year ended 31 March 2017	For the year ended 31 March 2016
A	**CONTINUING OPERATIONS**				
1		Revenue from operations Net of Excise Duty	20	47,839.68	50,225.87
2		Other income	21	1,126.52	540.69
3		**Total revenue (1+2)**		**48,966.20**	**50,766.56**
4		**Expenses**			
4.1		Cost of materials consumed	22	19,113.08	19,962.24
4.2		Changes in inventories of Finished Goods / Work-In-Process	23	1,143.06	957.00
4.3		Employee benefits expense	24	5,285.90	5,505.74
4.4		Finance costs	25	994.56	832.27
4.5		Depreciation and amortisation Expenses	11.3	3,893.01	3,581.26
4.6		Other expenses	26	13,022.46	12,999.14
Total expenses				**43,452.07**	**43,837.65**
5		**Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)**		5,514.13	6,928.91
6		**Exceptional items**		**-**	**-**
		Profit on Sale of Business Asset		-	-
		Profit on Sale of Other Assets		0.25	0.55
7		**Profit / (Loss) before extraordinary items and tax (5 ± 6)**		5,514.38	6,929.46
8		**Extraordinary items/other comprehensive items**		**-**	**-**
9		**Profit / (Loss) before tax (7 ± 8)**		5,514.38	6,929.46
10		**Tax expense:**			
10.1		Current tax expense for current year		1,176.86	1,725.00
10.2		Tax expense relating to prior years		80.91	52.18
10.3		Net current tax expense		1,257.77	1,777.18
10.4		Mat Credit entitlement		-378.81	-
10.5		Deferred tax Liability /(Asset)		293.23	143.45
				1,172.19	1,920.63
11		**Profit / (Loss) from continuing operations (9 ±10)**		4,342.19	5,008.83
B	**DISCONTINUING OPERATIONS**				
12		**Profit / (Loss) from discontinuing operations**		-	-
C	**TOTAL OPERATIONS**			4,342.19	5,008.83
13		**Profit / (Loss) for the year (11 ± 12)**		4,342.19	5,008.83
14		**Earnings per share (of Rs. 10 /- each):**			
14.1		Basic			
14.1.1		Continuing operations		35.97	41.50
14.1.2		Total operations		35.97	41.50
14.2		Diluted			
14.2.1		Continuing operations		35.97	41.50
14.2.2		Total operations		35.97	41.50

See accompanying notes forming part of the financial statements

In terms of our Report of even date

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

G.Ramesh Kumar
Partner
Membership no. 200 / 18663

Place : Chennai
Date : 19-05-2017

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

A. Gopalakrishnan
Director
(DIN : 06414546)

J.Sumathi
Company Secretary

V.Vaidyanathan
Director
(DIN : 00081792)

Kavitha Vijay
Director
(DIN : 01047261)

R.Venkatakrishnan
Chief Financial Officer

Notes forming part of the financial statements

1 Corporate information

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

2 Significant accounting policies followed by the company:-

2.1 Basis of accounting and preparation of financial statements

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

2.2 Use of estimates

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

2.3 Inventories

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

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

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

2.5 Cash flow statement

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

2.6 Depreciation and amortisation

Depreciation has been provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

2.7 Revenue recognition

Sale of goods

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

2.8 Other income

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

2.9 Tangible fixed assets

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

Note 2 Significant accounting policies (contd.)

Capital work-in-progress:

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

2.10 Foreign currency transactions and translations

Initial recognition

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

Measurement of foreign currency monetary items at the Balance Sheet date

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

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. The amount capitalised in the current year is at ₹ 16109811 (Last Year ₹ 8819753).

Accounting of forward contracts

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

2.11 Investments

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

2.12 Employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

Short-term employee benefits

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

2.13 Borrowing costs

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

2.14 Segment reporting

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

2.15 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of

Note 2 Significant accounting policies (contd.)

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

2.16 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

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

2.17 Research and development expenses

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

2.18 Impairment of assets

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

2.19 Provisions and contingencies

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

2.20 Insurance claims

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

2.21 Service tax input credit

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

Notes forming part of the financial statements

Note 3 Share capital

	Particulars	As at 31 March 2017		As at 31 March 2016	
		Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
3.1	Authorised				
	Equity shares of ₹ 10 each with voting rights	15,000,000	1,500.00	15,000,000	1,500.00
3.2	Issued				
	Equity shares of ₹ 10 each with voting rights	12,072,800	1,207.28	12,072,800	1,207.28
3.3	Subscribed and fully paid up				
	Equity shares of ₹ 10 each with voting rights	12,070,400	1,207.04	12,070,400	1,207.04

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

Particulars	Opening Balance	Buy back	Other changes (give details)	Closing Balance
Equity shares with voting rights				
Year ended 31 March, 2017				
- Number of shares	12,070,400	-	-	12,070,400
- Amount ₹ in lakhs	1,207.04	-	-	1,207.04
Year ended 31 March, 2016				
- Number of shares	12,070,400	-	-	12,070,400
- Amount ₹ in lakhs	1,207.04	-	-	1,207.04

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

Class of Shares	As at 31 March 2017		As at 31 March 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Synmax Consultants and Trading Pvt Ltd	2,898,000	24.01	2,898,000	24.01
Vidyashankar Krishnan	1,360,120	11.27	1,360,120	11.27
Venkatramanan Krishnan	1,292,480	10.71	1,292,480	10.71

(3) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date.

Particulars	Aggregate number of shares	
	As at 31 March 2017	As at 31 March 2016
Equity shares with voting rights	12,070,400	12,070,400
Fully paid up by way of bonus shares	-	-

(4) Details of shares pledged : NIL

Note 4 Reserves and surplus **₹ in Lakhs**

	Particulars	As at 31 March 2017	As at 31 March 2016
4.1	Capital reserve		
	Opening balance	4.60	4.60
	Add: Additions during the year		
	Less: Utilised / transferred during the year	-	-
	Closing balance	4.60	4.60
4.2	Securities premium account		
	Opening balance	305.00	305.00
	Closing balance	305.00	305.00
4.3	General reserve		
	Opening balance	26,198.37	22,098.37
	Add: Transferred from surplus in Statement of Profit and Loss	3,500.00	4,100.00
	Less: Utilised / transferred during the year for:		
	Loss on Subsidiary Merger	-	-
	Closing balance	29,698.37	26,198.37
4.4	Surplus / (Deficit) in Statement of Profit and Loss		
	Opening balance	244.24	177.12
	Add: Profit for the year	4,342.19	5,008.83
	Less: Interim dividend	701.43	841.71
	Less: Interim dividend / Dividend Tax	841.72	420.86
	Dividends proposed to be distributed to equity shareholders ₹ 1 per share)	120.70	0.00
	Tax on dividend	19.58	0.00
	Transferred to: General Reserve	3,500.00	4,100.00
	Closing balance	244.72	244.24
	Total	**30,252.69**	**26,752.21**

Note 5 Long-term borrowings

Term Loans From Banks		
Secured	10,840.79	9,849.57
Unsecured	-	-
Total	10,840.79	9,849.57

5.1 Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

	₹ in Lakhs		₹ in Lakhs	
	As at 31 March 2017		As at 31 March 2016	
	Secured	Unsecured	Secured	Unsecured
Term loans from banks:				
Citi Bank	3,378.65	-	3,971.76	-
DBS	1,808.95		2,841.00	
SBT	6,486.00		1,355.15	
SBI	3,239.84		3,971.81	
Total	**14,913.44**	**-**	**12,139.72**	**-**

5.2 Terms of Security / Repayment

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

Particulars		₹ in Lakhs As at 31 March 2017 Secured	Unsecured	₹ in Lakhs As at 31 March 2016 Secured	Unsecured
5.3	Rate of Interest				
	Citi Bank	3.11%		2.15%	
	DBS	4.87%		4.87%	
	SBT	3.06%		2.63%	
	SBI	3.80%		3.02%	
5.4	Instalments Payable	Citi Bank	DBS	SBT	SBI
	2017 - 2018	1,110.78	971.97	1,341.93	647.97
	2018 - 2019	1,203.36	836.98	1,341.93	647.97
	2019 - 2020	1,064.51	-	1,341.93	647.97
	2020 - 2021	-	-	1,341.93	647.97
	2021 - 2022	-	-	1,118.28	647.96
	Total	3,378.65	1,808.95	6,486.00	3,239.84

* Details of long-term borrowings guaranteed by some of the Directors or others: **NIL**
* For the current maturities of long-term borrowings, refer items 9.1 and 9.2 - Other current liabilities.
* There is No default in the servicing / repayment of the loans.

Note 6 Other long-term liabilities

		₹ in Lakhs As at 31 March 2017	As at 31 March 2016
6.1	Trade Payables	-	-
6.2	Others		
	Payables on Purchase of Fixed Assets	282.13	-
	Advance from Customers	49.78	38.41
	Total	**331.91**	**38.41**

Note 7 Short-term borrowings

7.1	Loans repayable on demand from Banks			
	Secured		7,444.49	9,213.43
	Unsecured		-	-
	Total		**7,444.49**	**9,213.43**
	Note: Details of security for the secured short-term borrowings:			
		Nature of Security		
	Loans repayable on demand from Banks	Hypothecation of Inventory/ Book Debts Rate of Interest 5.5%	7,444.49	9,213.43
	Total - from banks		**7,444.49**	**9,213.43**
	No Default in the Servicing of the facility availed.			

Note 8 Trade payables

8.1	Trade Payables - Other than Acceptances	2,889.68	2,994.78
	Total	**2,889.68**	**2,994.78**

Note 9 Other current liabilities

9.1	Current maturities of long-term debt - Secured	2,290.15	1558.49
9.2	Unpaid dividends	47.86	32.02
Total		**2,338.01**	**1590.51**

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

Note 10 Short Term Provisions

10.1	Provision for tax (net of advance tax)	-	-
	(As At 31 March 2017 ₹ 1,17,686,000)		
	(As at 31 March, 2016 ₹ 1,77,500,000)		
10.2	Provision for proposed equity dividend	120.70	-
10.3	Provision for tax on proposed dividend	19.58	-
Total		**140.28**	**-**

Notes forming part of the financial statements

Note 11 Fixed Assets

11.1 Tangible Assets	Gross block						
	Balance as at 1 April, 2016	Additions	Disposals	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31 March, 2017
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
11.1.1 Land	3473.00	64.22	-	-	-	-	3537.22
11.1.2 Buildings	4445.26	3982.26	-	-	-	-	8427.52
11.1.3 Plant and Equipment	47461.40	5700.53	-	-307.97	-	-	52853.96
11.1.4 Furniture and Fixtures	139.87	43.87	-	-	-	-	183.74
11.1.5 Vehicles	476.88	25.82	11.49	-	-	-	491.21
11.1.6 Office equipment	1161.33	136.43	-	-	-	-	1297.76
Total	57157.74	9953.13	11.49	-307.97	0.00	0.00	66791.41
Previous year	49893.03	6545.62	28.56	709.86	37.79	0.00	57157.74

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

Note 11 Fixed Assets (contd.)

11.2 Tangible Assets	Accumulated depreciation and impairment					Net Block	
	Balance as at 1 April, 2016	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Other adjust-ment	Balance as at 31 March, 2017	Balance as at 31 March, 2017	Balance as at 31 March, 2016
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
11.2.1 Land	0.00	-	-	-	0.00	3537.22	3473.00
11.2.2 Buildings	1270.48	166.90	-	-	1437.38	6990.14	3174.78
11.2.3 Plant and Equipment	28263.00	3472.36	-	-	31735.36	21118.60	19198.40
11.2.4 Furniture and Fixtures	129.30	19.94	-	-	149.24	34.50	10.57
11.2.5 Vehicles	261.80	72.58	11.49	-	322.89	168.32	215.08
11.2.6 Office equipment	991.46	161.23	-	-	1152.69	145.07	169.87
Total	30916.04	3893.01	11.49	0.00	34797.56	31993.85	26241.70
Previous year	27348.87	3581.26	14.09	0.00	30916.04	26241.70	22544.16

11.3 Depreciation and amortisation relating to continuing operations:

Particulars	For the year ended 31 March, 2017 ₹ in Lakhs	For the year ended 31 March, 2016 ₹ in Lakhs
Depreciation and amortisation for the year on tangible assets as per Note 12 A	3,893.01	3,581.26
Depreciation and amortisation for the year on intangible assets as per Note 12 B	-	-
Less: Utilised from revaluation reserve	-	-
Depreciation and amortisation relating to continuing operations	3,893.01	3,581.26

Note 12 Non-current investments

Particulars	As at 31 March, 2017			As at 31 March, 2016		
	Quoted # ₹ in Lakhs	Unquoted # ₹ in Lakhs	Total ₹ in Lakhs	Quoted ₹ in Lakhs	Unquoted ₹ in Lakhs	Total ₹ in Lakhs
Investments (At cost):						
12.1 Trade	NIL	NIL	NIL	NIL	NIL	NIL
12.2 Other investments						
12.2.1 Investment in equity instruments - Fully Paid	14.10	3.00	17.10	11.02	3.00	14.02
Total - Other investments (12.2)	14.10	3.00	17.10	14.10	3.00	17.10
Less: Provision for diminution in value of investments			-			-
Total			**17.10**			**17.10**
Aggregate amount of quoted investments			14.10			14.10
Aggregate market value of listed and quoted investments			36.12			25.00

₹ in Lakhs

Particulars	As at 31 March 2017	As at 31 March 2016
Note 13 Long-term loans and advances		
13.1 Security deposits	-	-
Secured, considered good	-	-
Unsecured, considered good	331.39	366.99
Doubtful	-	-
	331.39	366.99
Less: Provision for doubtful deposits	-	-
	331.39	366.99
13.2 Advance Income Tax	39.79	75.76
13.3 Mat Credit Available	378.81	-
13.4 Balances with government authorities		
Unsecured, considered good		
13.4.1 Advance Sales tax	116.38	116.38
13.4.2 VAT credit receivable	-	-
	116.38	116.38
Total	**866.37**	**559.13**
Note: Long-term loans and advances - No dues from Directors, Officers of the Company, Firms in which any Director is a partner or any Private Limited Companies in which any Director is a Director		
Note 14 Other non-current assets		
14.1 Long Term Inventories		
(At lower of cost and net realisable value)		
14.1.1 Raw materials	122.76	148.90
14.1.2 Work-in-progress - Steel Forgings	67.16	74.45
14.1.3 Stores& Spares	-	-
14.1.4 Consumable Tools	-	-
Total	189.92	223.35
14.2 Other Assets		
14.2.1 Sundry Debtors	527.64	17.13
14.2.2 Advance to Suppliers	76.82	76.82
14.2.3 Insurance claims	2.17	6.83
Total	**796.55**	**324.13**
Note 15 Inventories		
(At lower of cost and net realisable value)		
15.1 Raw materials	1,799.66	1,490.22
15.2 Work-in-progress - Steel Forgings	3,565.77	4,701.54
15.3 Stores and spares	829.22	721.62
15.4 Consumable Tools	401.20	417.58
Total	**6,595.85**	**7,330.96**

₹ in Lakhs

Particulars	As at 31 March 2017	As at 31 March 2016
Note 16 Trade receivables		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment #		
Secured, considered good	-	-
Unsecured, considered good	1,724.47	1,497.61
Doubtful	-	-
	1,724.47	1,497.61
Less: Provision for doubtful trade receivables	-	-
Total	**1,724.47**	**1,497.61**
Note: Trade Receivables - No dues from Directors, Officers of the Company, Firms in which any Director is a partner or any Private Limited Companies in which any Director is a Director		
Note 17 Cash and cash equivalents		
17.1 Cash on hand	2.14	4.14
17.2 Cheques, drafts on hand	-	-
17.3 Investments in Liquid funds	-	-
17.4 Balances with banks	13,305.06	12,024.08
17.4.1 In current accounts	58.27	32.51
17.4.2 In deposit accounts (Refer Note below)	19.00	19.00
Total	**13,384.47**	**12,079.73**
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 - Cash Flow Statement is ₹ 13,305.06 Lakhs. (As at 31st March 2015 ₹ 12024.08 Lakhs)		
Note: Balances with banks include deposits amounting to ₹ 19.00 Lakhs as at 31st March 2017 which have an original maturity of more than 12 months. (As at 31st March 2016- ₹ 19.00 Lakhs)		
Note 18 Short-term loans and advances		
18.1 Loans and advances to employees		
Secured, considered good		
Unsecured, considered good	126.92	170.53
Doubtful	-	-
	126.92	170.53
Less: Provision for doubtful loans and advances	-	-
	126.92	170.53
18.2 Prepaid expenses - Unsecured, considered good	97.81	95.74
18.3 Balances with government authorities - Unsecured, considered good		
18.3.1 CENVAT credit receivable	1,708.41	2,080.20
18.3.2 VAT credit receivable	193.41	420.88
18.4 Others -ICD		
Secured, considered good		
Unsecured, considered good	0.22	-16.92
Doubtful	-	-
	0.22	-16.92
Less: Provision for other doubtful loans and advances	-	-
	0.22	-16.92
Total	**2,126.77**	**2,750.43**
Note: Short-term loans and advances - No amount is due from any Directors, Other Officers of the Company, Firms in which any Director is a partner, Private Companies in which any Director is a Director		

₹ in Lakhs

Particulars	As at 31 March 2017	As at 31 March 2016
Note 19 Other current assets		
19.1 Others	-	-
19.1.1 Insurance claims	10.96	3.97
Total	**10.96**	**3.97**
Note 20 Revenue from operations		
20.1 Sale of products	46,042.66	48,905.80
20.2 Other operating revenues	1,797.02	1,320.07
Total	**47,839.68**	**50,225.87**
20.1.1 Sale of products comprises		
Manufactured goods		
Steel Forgings	46,042.66	48,905.80
Total - Sale of products	**46,042.66**	**48,905.80**
20.2.1 Other operating revenues		
Power Generated	1,797.02	1,320.07
Total - Other operating revenues	**1,797.02**	**1,320.07**
Note 21 Other income		
21.1 Interest income from Bank Deposits	28.52	22.05
21.2 Dividend income from investments	1,080.98	517.52
21.3 Miscellaneous Income	17.02	1.12
Total	**1,126.52**	**540.69**
Note 22 Cost of materials consumed		
Opening stock	1,639.12	1,187.32
Add: Purchases	19,396.38	20,414.04
	21,035.50	**21,601.36**
Less: Closing stock	1,922.42	1,639.12
Cost of material consumed	**19,113.08**	**19,962.24**
Material consumed comprises: Raw material Steel Billets		
Note 23 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories at the end of the year:		
Work-in-progress Forgings	3,632.93	4,775.99
Inventories at the beginning of the year:		
Work-in-progress Forgings	4,775.99	5,732.99
Net (increase) / decrease	**1,143.06**	**957.00**
Note 24 Employee benefits expense		
24.1 Salaries and wages	3,914.41	3,943.50
24.2 Managerial Remuneration	616.65	757.07
24.2 Contributions to provident and other funds	248.43	280.77
24.3 Staff Gratuity	31.30	3.69
24.4 Staff welfare expenses	475.11	520.71
Total	**5,285.90**	**5,505.74**
Note 25 Finance costs		
Interest expense on borrowings	994.56	832.27
Total	**994.56**	**832.27**

₹ in Lakhs

Particulars		As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
Note 26 Other expenses					
26.1	Consumption of Stores			1,138.68	1,160.85
26.2	Consumption of Tools			961.18	869.88
26.3	Outside Labour			500.89	630.69
26.4	Power and fuel			4,435.87	4,742.65
26.5	Repairs and Maintenance				
26.5.1	Buildings	128.22	86.48		
26.5.2	Machinery	721.94	666.86		
26.5.3	Machinery Spares	976.09	942.82	1,826.25	1,696.16
26.6	Selling Expenses			578.89	563.13
26.6	Export Expenses				
26.7.1	Packing & Forwarding	535.80	629.57		
26.7.2	Freight	588.52	599.67		
26.7.3	Commission	364.79	415.09		
26.7.4	Warehousing Charges	874.20	505.82		
26.7.5	Others	64.81	121.40	2,428.12	2,271.55
26.8	Loss on fixed assets sold / scrapped / written off			-	-
26.9	Miscellaneous expenses			1,152.58	1,064.23
	Total			**13,022.46**	**12,999.14**
	Miscellaneous expenses includes payment to auditors comprising of :				
	As auditors - statutory audit			16.39	17.00
	For taxation matters			1.00	1.00
	Reimbursement of Expenses / Service Tax			2.47	-
	Total			**19.86**	**18.00**

Note 27 Additional information to the financial statements

₹ in Lakhs

	Particulars	As at 31 March 2017	As at 31 March 2016
27.1	**Contingent liabilities and commitments (to the extent not provided for)**		
27.1.1	Contingent Liabilities - Foreign Bills Discounted with Bank	562.57	1,251.21

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

Note 29 Disclosure as per SEBI (LODR)

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

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

Other Directorship		**Other Committee Memberships**		
Name of the Company	Position	Name of the Company	Committee	Position
Shri N. Srinivasan				
Anna Investments Private Ltd	Chairman	The India Cements Ltd.	Stakeholders Relationship Committee	Member
Coromandel Electric Co. Ltd	Chairman			
Coromandel Sugars Ltd	Chairman			
		Trinetra Cement Ltd	Stakeholders / Relationship Committee	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			
Trishul Concrete Products Limited	Chairman			
Trinetra Cement Ltd	Chairman			
The India Cements Limited	Vice Chairman & Managing Director			
Shri V. Vaidyanathan				
Medical Research Foundation-Sankara Nethralaya	Board Member			
Vision Research Foundation	Board Member			
Shri A.Gopalakrishnan				
Directorship in Other Companies	NIL			
Smt Kavitha Vijay				
CML Media Software Pvt Ltd	Director			
Wolters Kluwer ELM Solutions (P) Ltd	Director			
Shri Vidyashankar Krishnan				
Association of Indian Forging Industry	Managing Committee			
Synmax Consultants & Trading Private Limited	Director			
Baylife Medicare Private Ltd	Director			
Unique Technologies	Partner			
Shri Venkatramanan Krishnan				
Synmax Consultants & Trading Private Limited	Director			
Sivasundar Private Limited	Director			
Baylife Medicare Private Ltd	Director			
Unique Technologies	Partner			

	Particulars	As at 31 March 2017	As at 31 March 2016
29.3	The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:	Receivable/ (Payable)	Receivable/ (Payable)
	Receivable/ (Payable) in Foreign Currency	**NIL**	**NIL**

		For the year ended 31 March 2017	For the year ended 31 March 2016
29.4	**Value of imports calculated on CIF basis**		
	Raw materials	-	-
	Consumable Stores / Tools	41.19	66.80
	Machinery Spares	5.01	20.47
	Capital goods	953.20	3,242.45
29.5	**Expenditure in foreign currency**		
	Travelling	98.96	104.66
	Export Expenses	1,251.84	816.33
	Staff Training	21.27	3.35
	Repayment of Term Loan in Foreign Currency	2430.08	1646.63

29.6 **Details of consumption of imported and indigenous items**

	31 March 2017 ₹ in Lakhs	%	31 March 2016 ₹ in Lakhs	%
Imported				
Raw materials	-	0.00%	-	0.00%
Consumable Stores / Tools	41.19	2.79%	66.80	3.29%
Machinery Spares	5.01	0.72%	20.47	2.17%
	46.20		**87.27**	
Indigenous				
Raw materials	19,113.08	100.00%	19,962.24	100.00%
Consumable Stores / Tools	2,058.67	98.04%	1,963.93	96.71%
Machinery Spares	971.08	99.49%	922.35	97.83%
	22,142.83		**22,848.52**	

29.7	**Earnings in foreign exchange**		
	Export of goods calculated on CIF basis	28,357.15	32,484.21

Note 30 Disclosures under Accounting Standards (contd.)

	Particulars	As at 31 March 2017	As at 31 March 2016
30.1	**Details of government grants**	Nil	Nil
30.2	**Details of borrowing costs capitalised**		
	Borrowing costs capitalised during the year		
	- as fixed assets / intangible assets / capital work-in-progress	-	37.79
	- as inventory	-	-

30.3 - Claims against the Company not acknowledged as debts

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

In matters of similar nature, Sales Tax Appellate Tribunal has already deleted the demand by the department. Hence no provision is required in this regard. The Company has already paid a sum of ₹ 116.38 lakhs against the same, which is treated as advance refundable

Note 31 Deferred Tax Liability

	Tax Effect of Items constituting the same:-		
	on difference between book balance and tax balance of Fixed Assets	1,655.54	1,372.30

Note 31 : DETAILS FOR TRANSACTIONS IN SBN - YEAR ENDED 31.03.2017

			DENOMINATION	AMOUNT
Opening Balance as at 08.11.2016				1068892
SBN Included Thereon		₹ 1000 Notes	293	293000
		₹ 500 Notes	905	452500
Others				323392
Transactions between 08.11.2016 and 30.12.2016				
Add: Withdrawal from Bank Accounts				
Add: Receipts for permitted transactions				
Add: Receipts for non-permitted transactions (if any)				
Less: Paid for permitted transactions				
Less: Paid for non-permitted transactions				
Add Receipts During The Period	Bank drawal			285000
				1353892
Less: Deposited in Bank Accounts		₹ 1000 Notes	293	293000
		₹ 500 Notes	905	452500
Closing Balance as on 30.12.2016				608392

Cash Flow Statement for the year ended 31st March 2017

(₹ in lakhs)

			For the year ended 31 March 2017		For the year ended 31 March 2016
A	**Cash Flow From Operating Activities**				
	Net Profit / (Loss)before extraordinary items and tax		5,514.41		6,929.47
	Adjustments for:				
	Depreciation and amortisation	3,893.01		3,581.26	
	(Profit) / Loss on sale / write off of assets	(0.25)		(0.55)	
	Finance costs	994.56		832.27	
	Interest income	(28.52)		(22.05)	
	Dividend income	(1,080.98)		(517.52)	
			3,777.82		3,873.41
	Operating Profit / (Loss) before working capital changes		9,292.23		10,802.88
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	735.10		534.92	
	Trade receivables	(226.86)		1,414.92	
	Short-term loans and advances	623.66		(646.22)	
	Long-term loans and advances	111.36		922.69	
	Other current assets	3.97		5.17	
	Other non-current assets	(472.42)		54.07	
	Adjustments for increase/(decrease) in operating liabilities				
	Trade payables	(105.10)		244.47	
	Other current liabilities	1,767.34		747.45	
	Other long-term liabilities	293.50		(25.91)	
			2,730.55		3,251.56
	Cash generated from operations		12,022.78		14,054.44
	Net income tax (paid) / refunds		1,297.56		1,777.15
	Net cash flow from / (used in) operating activities (A)		**10,725.22**		**12,277.29**
B.	**Cash flow from investing activities**				
	Capital expenditure on fixed assets, including capital advances		(8,056.52)		(9,147.62)
	Proceeds from sale of fixed assets		0.25		15.02
	Long Term Investments		-		(3.08)
	Interest received		28.52		22.05
	Dividend received		1,080.98		517.52
	Net cash flow from / (used in) investing activities (B)		**(6,946.77)**		**(8,596.11)**
C.	**Cash flow from financing activities**				
	Proceeds from long-term borrowings(Net)		991.22		1,554.80
	Repayment of long-term borrowings(Net)		-		-
	Net increase / (decrease) in working capital borrowings		(1,768.94)		35.35
	Repayment of other short-term borrowings		-		-
	Finance cost		(994.56)		(832.27)
	Interim Dividend / Tax on Dividend		(701.43)		(841.71)
	Dividends paid		-		(362.11)
	Tax on dividend		-		(58.74)
	Net cash flow from / (used in) financing activities (C)		**(2,473.71)**		**(504.68)**
	Net increase/(decrease) in Cash and cash equivalents (A+B+C)		**1,304.74**		**3,176.50**
	Cash and cash equivalents at the beginning of the year		12,079.73		8,903.23
	Cash and cash equivalents at the end of the year		13,384.47		12,079.73
			1,304.74		**3,176.50**

In terms of our Report of even date

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

G.Ramesh Kumar
Partner
Membership no. 200 / 18663

Place : Chennai
Date : 19-05-2017

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

A. Gopalakrishnan
Director
(DIN : 06414546)

J.Sumathi
Company Secretary

V.Vaidyanathan
Director
(DIN : 00081792)

Kavitha Vijay
Director
(DIN : 01047261)

R.Venkatakrishnan
Chief Financial Officer

M M FORGINGS LIMITED

Form No. MGT-11

Proxy form

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

CIN: L51102TN1946PLC001473
Name of the company: M M FORGINGS LIMITED
Registered office:'SVK Towers' A 25, 8th Floor, Industrial Estate, Guindy, Chennai - 600032

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

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

1. Name : .....
   Address : ....
   E-mail ID : ..... Signature : .....or failing him,
2. Name : .....
   Address : ....
   E-mail ID : ..... Signature : .....or failing him,
3. Name : .....
   Address : ....
   E-mail ID : ..... Signature : .....or failing him,

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting of the company, to be held on .... and at any adjournment thereof in respect of all the resolutions as are indicated below:

SL. No.	RESOLUTIONS		
	Ordinary Business	For	Against
1	Ordinary Resolution : For adoption of Audited Financial Statements for the year 31 March 2017		
2	Ordinary Resolution: For the vacancy caused by retirement by rotation of Shri K Venkatramanan		
3	Ordinary Resolution: For Appointment of Statutory Auditors M/S GRNK & Co., and to authorise Board to fix their remuneration		

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

Signed this

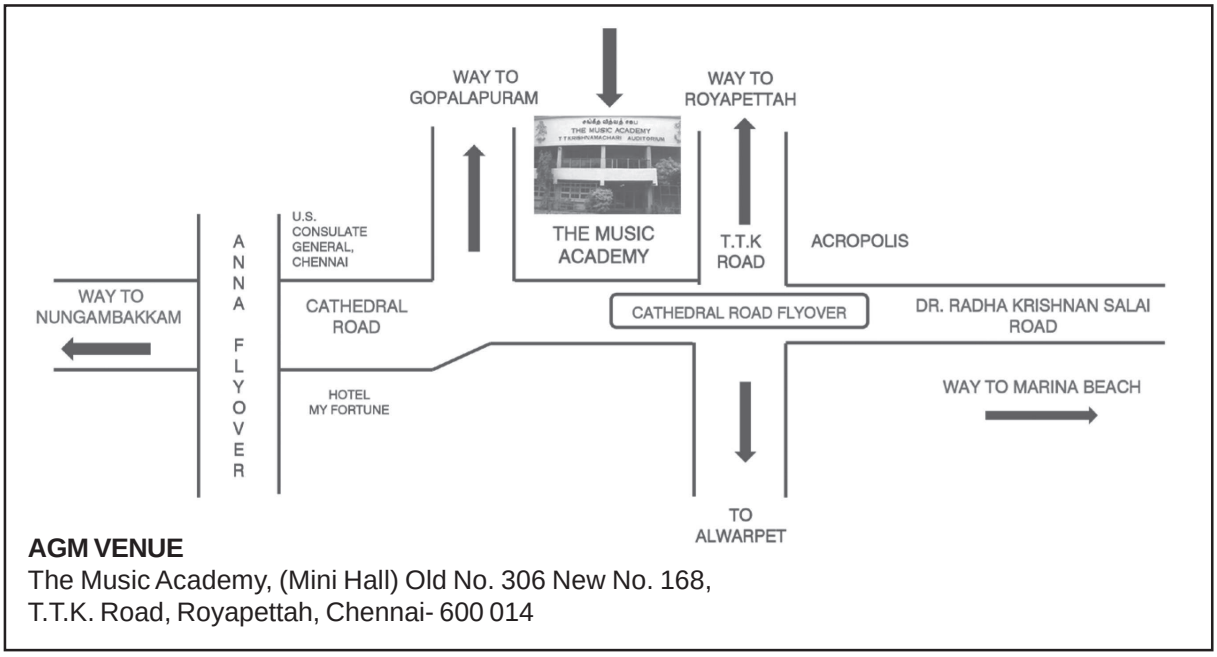
Signature of shareholder

Affix 1/- Revenue Stamp

Signature of Proxy holder(s)

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

Route map to AGM venue



AGM VENUE
The Music Academy, (Mini Hall) Old No. 306 New No. 168,
T.T.K. Road, Royapettah, Chennai- 600 014

M M FORGINGS LIMITED

Cameo Corporate Services Limited
Unit: M M Forgings Limited
"Subramaniam Building, Fifth Floor,
No. 1, Club House Road, Chennai – 600002

Change of Address (physical shares)
Place:
Date:
Folio No (s)
(To be filled by the Shareholders)

Dear Sirs,
Kindly take on record my address for your future communications.
Name and New Address : _____

_____

_____

To handover at the entrance of the Meeting Hall **Attendance Slip**

Name of the attending Member _____

Member's Folio No/ DP Id _____ No. of Shares_____

Member's of the Proxy _____

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

I, hereby record my presence at the 71st Annual General Meeting of M M Forgings Limited at .....
.....

_____
Member's / Proxy Signature

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

E-VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	USER ID	Existing Password*
IS 170822004	Folio No. / Client ID	PAN Number / Bank Account No / Date of Birth

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

Commencement of e-voting	End of e-voting
Saturday 23 September 2017 at 10.00 a.m.	Monday 25 September 2017 at 5.00 p.m.


Quality Forgings