BUSINESS RESPONSIBILTY REPORT **ANNEURE V**

SECTION A – GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity No (CIN) of the Company	L51102TN1946PLC001473
2.	Name of the Company	M M Forgings Limited
3.	Registered address	'SVK Towers', A 25, 8th Floor, Industrial Estate, Guindy, Chennai - 600032
4.	Website	www.mmforgings.com
5.	Email Id	corporate@mmforgings.com
6.	Financial Year reported	2019-20
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code: 25910 — Description: Metal Forging
8.	List three key products/ services that the Company manufactures/ provides (as in balance sheet)	1. Front Axle Beam 2. Knuckle 3. Crankshaft
9.	Total Number of Locations where business activity is undertaken by the Company	***Registered Office*** 'SVK Towers' A25, 8th Floor, Industrial Estate, Guindy, Chennai - 600 032. Manufacturing locations: ***Factories*** Plant 1 - Singampunari – 630 502, TN. Plant 2 - Viralimalai – 621 316, TN. Plant 4 - Mathur Post – 602 105 TN. Plant 7 - Industrial Automation Division - 600 058, TN. Plant 8 - Rudrapur - 263 153 Uttarkand.(DVS Industries Pvt Ltd, Subsidary Company) Plant 9 - Kursi Road, Barabanki, UP 225001 ***Plant 5 - Windfarms*** W1 - Panakudi - 627109 TN. W2 - Theni District - 625 531 TN. W3 - Tenkasi - 627 811 TN. W4 - Kallapalayam 641 201 TN. ***Plant 6 - Solar sites*** S1 - Aruppukottai - 626105 TN. S2 - Viralimalai - 621 316 TN.
10.	Markets served by the Company- Local/ State/ National/ International	Both National and International

SECTION B - FINANCIAL DETAILS OF THE COMPANY ₹ in Lakhs

1.	Paid up Capital	2,414.08
2.	Total Turnover	as on 31 March 2020
3.	Total profit after taxes	
4.	Total spending on Corporate Social Responsibility(CSR) as % of profit after tax(Taking into consideration the average net profit of the Company during 3 preceding financial years)	231.15 lakhs (2.82%)
5.	List of activities in which expenditure in 4 above has been incurred	1) Water harvesting in village 2) Environment sustainability 3) Water facility in school 4) Promotion of Education 5) Development of school 6) Social safety – Installation of surveillance camera in public places. 7) Development of play area in public parks

SECTION C – OTHER DETAILS

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

SECTION D – BR INFORMATION

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

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

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

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

2.1 Details of Compliances:

S.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies	Y	Y	Y	Y	Y The policy is embedded in the Company's Code of Conduct, Ethics and HR policies.	Y	Y	Y	Y
2	Has the Policy being formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	NA	Y	Y	Y	Y
3	Does the policy conform 'to any National/ International standards? If yes, specify. (50 words)	YES. The policies are in line with international standards such as ISO 9001:2015 and TS 16949 Certification. The policies satisfy the Regulatory requirements of Companies Act, 2013, and SEBI (LODR). Guidelines as per NVGs on social, environment and economic responsibility of business have been considered for formulation of some policies.								

4	Has the policy being approved by the Board?If yes, has it been signed by MD/ CEO?	Y	Y	Y	Y	NA	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director official to oversee the implementation of the policy?	These policies are administered and supervised by the management of the company.								
6	Indicate the link for the policy to be viewed online?	Policies on Whistle Blower, CSR, Nomination and Remuneration, Related party transaction etc are available on link : http://www.mmforgings.com/financials.html								
7	has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	NA	Y	Y	Y	Y
8	Does the Company have in-house`structure to implement the policy / policies?	Y	Y	Y	Y	NA	Y	Y	Y	Y
9	Does the company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	NA	Y	Y	Y	Y
9	Does the company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	NA	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Policies on Quality, Safety, Health and Environment forms part of the certification process done by periodic assessments and are subject to internal and external audits. Other policies are periodically evaluated through Internal Audit.								

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

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

GOVERNANCE RELATED TO BR

1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 Months, 3-6 months, Annually, More than 1 year	Annually
2	Does Company publish a BR or a 'Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company will publish the BR Report as a part of its Annual Report. This can be viewed at: http://www.mmforgings.com/Annual_Report.html

SECTION E : PRINCIPLE –WISE PERFORMANCE

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

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

1	List upto 3 products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities	1. Front Axle Beam 2. Knuckle 3. Crankshaft **a. Light-weight & press load reduce program(FAB):** The company is working on producing complex front axle beam within 8000T forging press. The company achieved about 9.5% load reduction in mechanical forging press press by using high end FEA tools & without affecting performance characteristics of Front Axle Beam. Both design validated for stress and deflection levels and ensured that stress and deflection levels of optimized design are within acceptance limit. Innovative application of latest technologies has helped the company to develope critical, high value added products. With the help of latest technologies and reduce roll design front axle beams are produced using 8000T, which is produced using 12000T by others. Initially started with normal reduce roll and successfully implemented profile reduce roll design. Company having a vast experience in developing Front Axle Beams using reduce roll. Through the development of upgraded profile reduce roll design, company is able to produce front axle beam weight upto 120kg. **b. Crankshaft innovation program:** 'The company is working closely to improve the weight balancing of crankshaft. As a part of weight balancing less amount of machining stock added near the web area and FEA software using to validate for better material filling and to reduce underfilling. Crankshaft balancing is achieved with very less

		number of drilling holes, forging quality and machinability was good resulting into less wastage of material.
	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional) i) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain? ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	1. For heat treatment operation fuel consumption reduced to 10% from 15% by using special type walking beam furnace without using Tray / Basegrid / Basket. 2. By using recuperative system in heat treatment furnace air preheating is achieved by heat exchange from the exhaust which will reduce fuel consumption by 5%. 3. To reduce electricity power, in most of the material handling area we introduced roller setup using gravity.
3	Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	The company supplier selection, assesment, evaluation process include elements of sustanability.This includes supplier survey, continous risk assesments and audits. Also there is communication to suppliers on MMF sustainability requirements
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	M M Forgings has network of medium enterprises around its factory which complements our manufacturing capability. Quality of our final product depends on the capability of our inputs and therefore, due steps are taken to ensure quality of inouts received from vendors by deploying our standard quality systems in their plant as well. Steps taken to 1) Providing training & new MMF requirements communications through supplier meet. 2) Critical suppliers being evaluated periodically based on their critically and subsequent actions are taken for improvements 3) Hand holding the vendors for developing quality management systems for improving the product quality, reducing the wastages and sustainable development 4) Providing technical help to vendors for up-gradation of their equipment which has helped in enhancing the capacity and capability
5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.	Yes. The company has mechanism to recycle products 1) Company is sending 100 % of its forging flash and end bits to steel mills for recycling purpose 2) 100 % re-use of treated industrial effluent for processing 3) 50 % of recycled water from sewage treatment plant is used for maintenance of greenery in the plant 4) 100 % of hazardous waste sent to authorized party 5) Recycling of packing boxes 6) Started waste generated monitoring and reduction

Principle 3 – Businesses should promote the well being of all employees

1	Please indicate the Total number of employees.	3002		
2	Please indicate the Total number of employees hired on temporary/ contractual/casual basis	1147		
3	Please indicate the Number of permanent women	9		
4	Please indicate the Number of permanent employees with disabilities	17		
5	Do you have an employee association that is recognized by management	No		
6	What percentage of your permanent employees is members of this recognized employee association?	NA		
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Category No of complaints filed during the financial year No of complaints pending as on end of the financial year	Category No of complaints filed during the financial year No of complaints pending as on end of the financial year	Category No of complaints filed during the financial year No of complaints pending as on end of the financial year
		Child labour/ forced labour/ involuntary labour	NIL	NIL
		Sexual harassment	NIL	NIL
		Discriminatory employment	NIL	NIL
8	What percentage of your mentioned employees were given safety & skill upgradation training in the last year?	(a) Permanent Employees	62%	
		(b) Permanent Women Employees	52%	
		(c) Casual/ Temporary/ Contractual Employees	70%	
		(d) Employees with Disabilities	76%	

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

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

Principle 5: Businesses should respect and promote human rights

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

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

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

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

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

1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	1) Association of Indian forging Industry (II) 2) Confederation of Indian Industry (CII) 3) Indian Society for Non Destructive Testing (ISNT) 4) Engineering Export Promotion Council 5) National Institute for Quality and Reliability
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	The company has set up a corporate social responsibility (CSR) committee aiming to have a positive impact on people and communities. The company has undertaken and contributed to the following CSR projects :- a) Eradicating hunger and poverty in the livelihood sector b) Education c) Combating diseases in health sector d) Social business projects e) Gender equality and women empowerment

Principle 8: Businesses should support inclusive growth and equitable development

1	Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	1.**Village Development Project** i. The company has done lake renovation project at Serrapanencheri, Padappai – for Desilting of 20,000 cu.ft, protection from encroachment, increase in water level and save water for future generations ii.Viralimalai temple – Renovation under progress 2.**Promotion of education** i. At Govt Girls high school, Padappai – Drinking water bore has been provided which serves for 1400 # girls students. ii. School vaction for elementary school, Ezhilchur has been organized from Padappai to Sriperumbudur. 3.**Environment Sustenance** i.Environment sustenance – Tree Plantation drive – We have planted around 1,000 saplings at various locations in Singampuneri, Viralimalai, Padappai, Pantnagar and Lucknow. For every employee birthday – tree planting has been done, encouraging native forest in the manufacturing plants. 4.**Women Empowerment** i. The company employed around 200 women across all the plants in the last financial year.
2	Are the programmes/ projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?	The company has separate in-house team for CSR activities to plan, implement , monitor and review various community development initiatives. The company believes in a participatory approach towards implementing these initiatives.
3	Have you done any impact assessment of your initiative?	Yes, we have undertaken the impact assessment for most of our projects i. Water storage capacities have been increased where we have done lake renovation work.
4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	During the years, the company has spent around Rs 45 Lakhs for lake renovation and Viralimalai temple renovation
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	1. De-silting : Over 20,000 cubic feet which corresponds to about 700 truck loads of soil have been excavated as de-silting, levelling etc. 2. Bund formation: 3. Excavated soil used for increasing the height of the bund and also for strengthening. Two layers were filled to increase the height of the bund.

		4. Compacting : Compacting with rollers were done for two layers. 5. Jungle clearance: Weeds, shrubs, grass, etc., formed inside the lake have been cleaned (except portion belonging to Highway Department). Also the plants found on the road-side bund were cleared. 6. Sluice gates fixed gates at two suitable places. 7. Weir wall was reconstructed. 8. Boundary stones 40 Nos. concrete pillars were installed as boundary stones. (Originally intended 80 nos pillars have been restricted to 40 as per the directions received from PWD.) 9. Trees : About 155 trees have been planted along the bund to protect the same as well as to beautify the lake. 10. Mesh Fencing: Plastic coated wire mesh fencing laid running for about 1700 feet to prevent encroachment. 11. Pillars & Basement : 7 feet height iron pillars grounded 2.5 feet under the ground using CC. 12. Block basement: plastering and painting for about 1700 running feet. 13. Drainage work: A draining vent has been exclusively designed for getting excess water from road to the lake. 14. Reflectors: Special red reflectors have been stuck on metal placard-like boards that clearly distinguish the fence area - for security reasons. 15. Main Gate : Fixed M.S. Gate (23' x 7') that restricts unwanted entries into the lake area. 16. Levelling work : Levelled ground along the fence (inner) end and cleared jungle area.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1	What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	Forged parts:- 47 customer complaints were received during the above period and 44 complaints have been closed as on 01 Mar 2020. Remedial actions have been taken for the remaining 3 complaints and the effectiveness of corrective actions is being monitored for each of them now. As per our corrective action procedure, we monitor the effectiveness of the corrective actions for a period of 3 months / 3 consecutive supplies whichever is later before closing the customer complaint. Machined parts:- 21 customer complaints were received during the above period and 18 complaints have been closed as on 01 Mar 2020. Remedial actions have been taken for the

		remaining 3 complaints and the effectiveness of corrective actions is being monitored for each of them now. As per our corrective action procedure, we monitor the effectiveness of the corrective actions for a period of 3 months / 3 consecutive supplies whichever is later before closing the customer complaint.
2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks(additional information)	YES. Our company products are customer specific and as per our customer requirements with regard to identification / labeling of product packaging and is consistent with applicable laws of shipping country and receiving country. The typical information displayed on product packaging include customer, supplier, part description, part number, Engineering revision level, purchase order number, heat code, qty packed, box number, gross weight and net weight.
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No.
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	Our company values customer feedback and customer satisfaction at various stages of business including enquiry handling, order handling, product realization and shipment. The company obtains the customer feedback through the following channels of communication – (i) Customer satisfaction survey once / 6 months (ii) Collection of customer issued score cards / performance reports as per the customer defined frequency (iii) Conference calls with customers (iv) Visits to customer sites / offices (v) Supplier meets Customer satisfaction data are collected, compiled, trend monitored and actions are initiated in case of negative variations during management review.