



KALYANI

**38th ANNUAL REPORT
2016-17**

KALYANI FORGE



38th Annual General Meeting - Chairperson's Speech

Dear Shareholders,

I have a great pleasure in welcoming you all at this 38th Annual General Meeting of shareholders of your company.

The year just finished was better for the Company with consistent improvement in the bottom line. Last time I had mentioned about the new orders. We have finished the CAPEX for all those orders. In some cases the production and supply have commenced, while in some other cases it will commence in a couple of months. These new orders would add Rs.70 crores in the current year 2017-2018.

The Company has fully prepared itself for the GST era. As expected, we will derive full benefits of the simplicity in Indirect Taxation.

The Company sales have been almost at same levels but the profits have improved over last year. We have been able to achieve reduction in material costs and finance costs. The manpower costs, the manufacturing costs and the freight costs have remained at high levels, still we could book PBT of over Rs.6 crores. In view of this and to compensate for the absence of dividend in the year 2015 when we had booked loss, your board has recommended a higher dividend of Rs. 3 per share i.e. @30% dividend on the face value of Rs. 10/- per share

In the year ahead we expect a more stable economy and a growing auto market. However we are trying our best to diversify to non-auto market and hope we will get some opportunity of that in the current year.

Last year many shareholders visited the plant. We invite you to contact our company secretary for any intended visit.

Shareholders' suggestions have always inspired us to improve and I invite your continued contribution in giving valuable suggestions.

I thank all the employees, shareholders, customers, suppliers, bankers and expert consultants, our statutory, cost, internal and secretarial auditors for their invaluable support throughout the year.

I thank you all for your time in attending this Annual General Meeting.

With best wishes,

Rohini G. Kalyani
(Chairperson & Managing Director)
DIN : 00915565



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KALYANI FORGE LIMITED

(CIN: L28910MH1979PLC020959)

BOARD OF DIRECTORS

Mrs. Rohini G. Kalyani	(Chairperson & Managing Director)	(DIN: 00519565)
Mr. Viraj G. Kalyani	(Executive Director)	(DIN: 02268846)
Mr. Gaurishankar. N. Kalyani	(Director)	(DIN: 00519610)
Mr. Abhijit Sen	(Independent Director)	(DIN: 00002593)
Mr. Pradip P. Nadkarni	(Independent Director)	(DIN: 01670826)
Mr. Vishwas Chit Rao (appointed w.e.f. 16 th April, 2016)	(Independent Director)	(DIN: 07493694)

AUDIT COMMITTEE

Mr. Abhijit Sen	Non- Executive Independent Director	(Chairman)
Mr. Pradip Nadkarni	Non- Executive Independent Director	
Mr. G. N. Kalyani	Non- Executive Director	

REMUNERATION & NOMINATION COMMITTEE

Mr. Pradip Nadkarni	Non- Executive Independent Director	(Chairman)
Mr. Abhijit Sen	Non- Executive Independent Director	
Mr. G. N. Kalyani	Non- Executive Director	

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. G N Kalyani	Non- Executive Director	(Chairman)
Mr. Abhijit Sen	Non- Executive Independent Director	
Mr. Pradip Nadkarni	Non- Executive Independent Director	

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mrs. Rohini G. Kalyani	Managing Director	(Chairperson)
Mr. Pradip Nadkarni	Non- Executive Independent Director	
Mr. Viraj G Kalyani	Executive Director	

CHIEF FINANCIAL OFFICER

Mr. Avinash Khare

COMPANY SECRETARY

Mr. Chandranil Belvalkar



KALYANI FORGE LIMITED

(CIN: L28910MH1979PLC020959)

BANKERS :

State Bank of India
Bank of Maharashtra
ICICI Bank Limited
Indian Overseas Bank Limited
IDBI Bank Limited

AUDITORS :

M/s. K. S. Aiyar & Co.
Chartered Accountants,
Mumbai.

REGISTERED OFFICE :

Shangrila Gardens, 'C' Wing, 1st Floor,
Opp. Bund Garden,
Pune-411 001.
Tel. +91 2137 252335, 252755
Fax +91 2137 252344
Website: www.kalyaniforge.co.in

WORKS :

1. Hot Forging Division (HFD)

2. Metal Forms Division (MFD)

Koregaon Bhima, Tal. : Shirur,
District : Pune 412 216.

3. Precision Autocomp Division (PAD)
Gat No. 914/1 & 2, Sanaswadi
Tal. : Shirur, District : Pune 412 208.

**KALYANI****Kalyani Forge Ltd.****Summary of Financial Data****(Rupees in Million)**

PARTICULARS	2016-17	2015 - 16	2014 - 15	2013 - 14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
TURNOVER	2,313	2,338	2,429	2,078	2,624	2,793	2,396	1,813	1,858	2,174
PROFIT BEFORE INTEREST DEPRECIATION AND TAX (PBIDT)	205	186	164	259	334	400	275	214	163	267
INTEREST	34	49	62	53	69	83	62	50	52	35
DEPRECIATION	104	117	131	135	128	119	112	105	91	83
PROFIT BEFORE TAX	67	20	-30	72	137	198	101	59	20	148
PROVISION FOR TAX	22	9	-7	24	49	64	34	20	12	54
PROFIT FOR THE YEAR	45	11	-23	48	88	134	68	39	8	94
DIVIDEND %	30	20	0	25	25	25	20	18	12	22
DIVIDEND AMOUNT	11	7	0	9	9	9	7	7	4	8
GROSS BLOCK	2,208	2,147	2,012	2,012	1,920	1,787	1,680	1,563	1,370	1,224
NET BLOCK	601	609	608	784	825	814	823	814	724	668
NET WORTH	1,022	985	974	1,028	991	913	790	734	708	716
BOOK VALUE PER SHARE (RS.)	281	271	268	282	272	251	217	202	195	197
EARNINGS PER SHARE (RS)	13	3	-6	13	24	37	18	9	3	26
SHAREHOLDERS (NO'S)	3,298	3,137	3,040	3,154	3244	3,248	3,428	3,352	3,522	3,412
NO OF EMPLOYEES (NO'S)	1,161	1,250	1,165	973	1,050	1,289	1,352	1,172	1,015	1,414

**KALYANI FORGE LIMITED**

(CIN: L28910MH1979PLC020959)

Regd. Office: Shangrila Gardens, "C" Wing,
1st floor, Opposite Bund Garden, Pune 411 001

E-mail : investors@kforge.com, Website : www.kalyaniforge.co.in

NOTICE

NOTICE is hereby given that the Thirty-Eighth Annual General Meeting of the Members of KALYANI FORGE LIMITED will be held at Poona Club Ltd., 6, Bund Garden Road, Pune-411 001 on Tuesday, the 25th day of July, 2017 at 11.00 a.m., to transact the following businesses:

ORDINARY BUSINESS:

01. To receive, consider and adopt the Balance Sheet as at 31st March, 2017 and Profit & Loss Account as on that date together with reports of Directors and Auditors thereon;
02. To declare a dividend on equity shares.
03. To appoint a Director, in place of Mrs. Rohini G. Kalyani (DIN : 00519565) who retires by rotation and being eligible, offers herself for re-appointment.
04. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of section 139 and 141 and any other applicable provisions if any, of the Companies Act, 2013 and rules framed thereunder or any amendment thereto and pursuant to recommendation of Audit Committee, the appointment of M/s. K.S. Aiyar, Chartered Accountants, Mumbai (Firm Registration No. 100186W) as Statutory Auditors of the Company in the 37th Annual General Meeting of the Company be and is hereby ratified and that the Board of Directors of the Company be and are hereby authorized to fix such remuneration, out of pocket and travelling expenses as may be incurred during the course of Audit.

RESOLVED FURTHER THAT the Board or Committee thereof be and is hereby authorised to take such steps as may be necessary to give effect to the above resolution."

SPECIAL BUSINESS:

05. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 or any statutory modification or re-enactment thereof, Mr. Rahul A. Chincholkar, Cost Accountant, appointed as Cost Auditor by the Board of Directors to conduct an audit of the Cost Records of the Company for the financial year commencing from 01.04.2017, be paid remuneration of Rs. 1,25,000 (Rupees One Lac Twenty Five Thousand Only) (excluding service tax, as applicable) in addition to reimbursement of out of pocket expenses and conveyance as recommended by the audit committee and approved by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be necessary for the purpose of giving effect to the above resolution"

By Order of the Board of Directors,
For Kalyani Forge Ltd.

Place : Pune
Date : 23/05/2017

Chandranil Belvalkar
Company Secretary

Registered Office :

Shangrila Gardens, 'C' Wing, 1st Floor,
Opp Bund Garden, Pune - 411001

**NOTES :**

- 01) The Register of Members and the Share Transfer Books of the Company will remain closed from 19th July 2017 to 25th July 2017(both days inclusive) for the purpose of Annual General Meeting and payment of Dividend, to be declared.
- 02) Explanatory Statement, pursuant to Section 102 (1) of the Companies Act, 2013 in respect of the business under Item No. 05 above, is annexed hereto.
- 03) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON SHALL NOT ACT AS PROXY FOR MORE THAN FIFTY (50) MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A PERSON HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
- 04) Proxies, in order to be effective, must be deposited with the Company at its Registered Office not less than 48 hours before the time fixed for holding the Annual General Meeting.

A proxy shall not have a right to speak at the Annual General meeting. However, in case a member has not voted through the remote e-voting facility, the proxy may be entitled to vote through Ballot at the 38th Annual General Meeting of the Company.

In case of joint holders, the signature of any one holder on proxy form will be sufficient, but names of all the joint holders should be stated.
- 05) Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged at the Company at any time during the business hours of the Company during the period beginning twenty four hours before the time fixed for the commencement of the Annual General Meeting. However a prior notice of not less than 2 (two) days in writing of the intentions to inspect the proxies lodged shall be required to be provided to the Company.
- 06) Members are requested to note the following:
 - a) Members holding shares in physical form are requested to address all their correspondence including change of address to the Company's Registrar and Share Transfer Agents, Link Intime India Pvt. Ltd, Block No. 202, Second Floor, Akshay Complex, off Dhole Patil Road, Near Ganesh Mandir, Pune - 411 001 and Members holding shares in dematerialized form should approach their respective Depository Participants for the same.
 - b) Quote client ID and DP ID numbers in respect of shares held in dematerialised form and ledger folio number in respect of shares held in physical form in all correspondence with the Company.
- 07) Members/ Proxies are requested to bring copy of Annual Report and attendance slip duly filled in and hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for identification.
- 08) Corporate members intending to send their authorized representative to attend meeting are requested to send a certified true copy of Board Resolution authorizing their representatives to attend and vote on their behalf at the Annual General Meeting.
- 09) Members holding equity shares in multiple folios in the identical order of names are requested to consolidate their holding into one folio.
- 10) Members holding shares in dematerialized form are requested to intimate any change in their address/ name, bank details, ECS Mandates, nominations, power of attorney, etc. to their respective DPs only
- 11) Equity Shareholders who have not dematerialized are advised to dematerialize their shareholding, to avoid inconvenience in future and to reap benefits of de-materialization.
- 12) Pursuant to section 101 and 136 of the Companies Act 2013 read with Rule 18 (1) of the Companies (Management and Administration) Rules, 2014, the Notice calling Annual General Meeting along with the



Annual Report for the financial year ended 31st March 2017 would be sent by electronic mode on the e-mail addresses as obtained from the depository/ Registrar and share Transfer Agent, unless the members have requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies would be sent by the permitted mode.

Members are requested to support this green initiative by registering/updating their e-mail addresses with the depository participant (in case of share held in dematerialised form) or with Link Intime India Private Limited (in case of shares held in physical form)

Even after registering for e-communication, Members are entitled to receive such communication in printed form, upon making a request for the same. For any communication, the members may also send request to the Company's investor email ID companysecretary@kforge.com.

Members may also note that the notice of the AGM and the Annual Report for the financial Year ended 31st March 2017 will also be hosted on the Company's website www.kalyaniforge.co.in

- 13) The Securities 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 Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.
- 14) 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 office hours on all working days except Sunday between 11.00 a.m. to 4.00 p.m. up to the date of declaration of the result of the 38th Annual General Meeting of the Company.
- 15) Information required under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirement) Regulations 2015 with respect to the Director retiring by rotation and being eligible seeking re-appointment is as under:

● Item No. 3 – Re appointment of Mrs Rohini Gaurishankar Kalyani

Name of the Director	Mrs. Rohini Gaurishankar Kalyani
Director Identification Number	00519565
Date of Joining the Board	16 th October 2013
Profile of the Director	Mrs. Rohini G Kalyani was born on 17.07.1964. She is Bachelor of Science from Shivaji University, Maharashtra. She also holds Diploma in Financial Management from Symbiosis University and an Executive Diploma in Strategic Business from Wharton School, University of Pennsylvania. Mrs. Rohini Kalyani has vast experience of managing forging business which also includes administrative, financial and legal aspects of forging industry. She has a grand vision for the future of company to make Kalyani Forge limited a truly world class auto and non-auto components manufacturing unit with aggressive growth targets. Under the guidance and with the hard core efforts of Mrs. Rohini Kalyani, the Kalyani Forge Limited was the first company in India to successfully developed fracture-split connecting rods in-house and soon the company became well known for its prowess in connecting rods. The company is known for the Connecting Rod Forging capability. Besides being the Managing Director of the Company, she is also a Director of host of Private Limited Companies in the group.



Board Membership of other Public Limited companies as on March 31, 2017	Nil
Chairman/Member of the Committees of Director of other Companies in which she is a Director as on March 31, 2017	Nil
Shareholding in KFL as on March 31, 2017	32,236 Equity Shares

*Note : Directorships in Private Limited Companies, Foreign Companies and Section 8 Companies and their Committee memberships are excluded from this declaration. Membership and Chairmanship of Committees of only public Companies have been included in the aforesaid table.

Except Mrs. Rohini G Kalyani, Chairperson & Managing Director herself, Mr. Gaurishankar N. Kalyani, Non-Executive Director and Mr. Viraj G. Kalyani Executive Director together with her relatives, no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in her re-appointment as a Director of the Company.

- 16) Pursuant to provisions of Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 executed by Company with BSE Limited & The National Stock Exchange of India Limited the Company is pleased to provide e-voting facility to all its shareholders to cast their votes electronically on the resolutions mentioned in the notice of 38th Annual General Meeting of the Company to be held on 25th July, 2017. The Company has appointed CS Hrishikesh Rajhansa, proprietor of HR & Associates, Practising Company Secretary, Pune as Scrutinizer for conducting e-voting process in fair and transparent manner. The e-voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them at the end of business hours on 18th July 2017. The instructions for e-voting are given below:

- (i) The voting period begins on **Saturday, 22nd July, 2017 at 9. 00 a.m** and ends on **Monday, 24th July, 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 (record date) Tuesday **18th July 2017** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders / Members
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) 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) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated 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) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction (iv).



- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed 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.
- (xviii) **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. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian 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 mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - 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
- (xx) Since the Company is required to provide members facility to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 18th July 2017 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.



- (xxi) The Scrutinizer shall after the conclusion of voting at general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two(2) witnesses, not in the employment of the Company and shall make not later than two (2) days from the conclusion of the AGM a consolidated scrutinizer's report of the total votes cast in favour or against, if any to the Chairperson or the person authorised by her in writing, who shall counter sign the same and declare the result of voting forthwith.
- (xxii) The Results shall be declared on or after the 38th Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kalyaniforge.co.in and on the website of CDSL e-Voting within two (2) days of passing of the resolutions at the 38th Annual General Meeting of the Company and communicated to the Bombay Stock Exchange Limited and National Stock Exchange Limited.
- 17) The Chairman shall at the AGM at the end of discussion of resolutions on which voting is to be held allow voting with the assistance of scrutinizer by use of "Ballot Papers" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

Important Note:

As Kalyani Forge Limited, being a listed company and having more than 1000 shareholders, is compulsorily required to provide e-voting facility to members in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, voting by show of hands will not be available to the members at the 38th Annual General Meeting in view of the further provisions of Section 107 read with Section 114 of the Companies Act, 2013.

By Order of the Board of Directors
For Kalyani Forge Ltd.,

Place : Pune
Date : 23/05/2017

Chandranil Belvalkar
Company Secretary



Annexure to Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF COMPANIES ACT, 2013

Item No. 05

The Board at its meeting held on 23rd May 2017, on the recommendations of the Audit Committee, has appointed Mr. Rahul A Chincholkar, Cost Accountant as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year commencing from 1st April 2017 on a remuneration of Rs.1,25,000 (Rupees One Lakh Twenty Five thousand only) (excluding service tax, as applicable) plus reimbursement of out of pocket expenses and conveyance.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the cost auditor is required to be ratified by the shareholders of the Company.

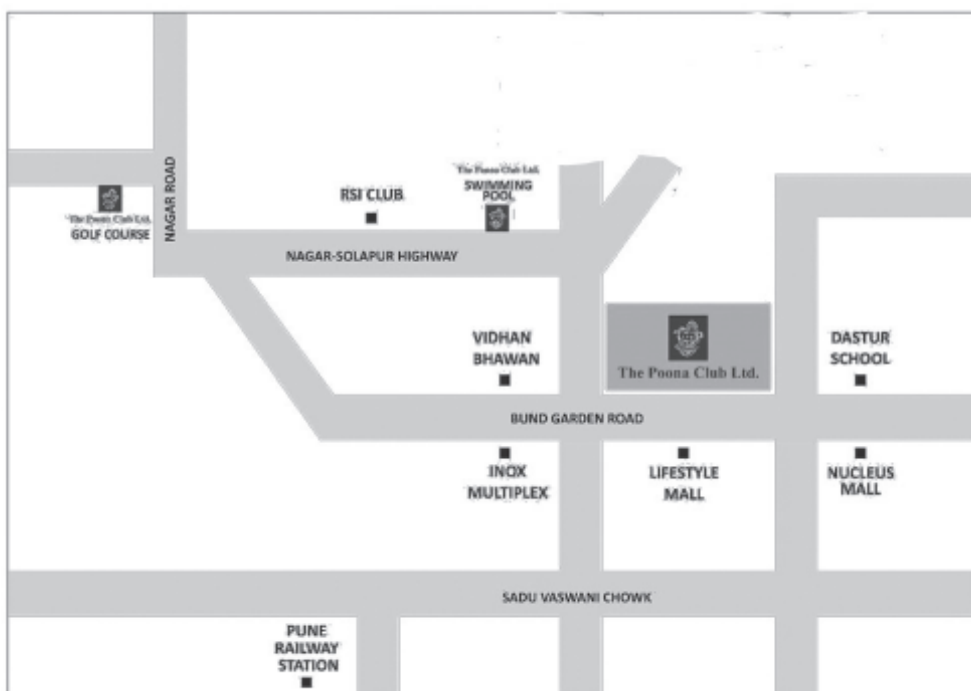
The shareholder's approval is solicited for the resolution at Item no 5 of the accompanying Notice as an ordinary resolution.

None of the Directors of the Company, the key managerial personnel of the Company or their relatives are concerned or interested in the aforesaid ordinary resolution.

By Order of the Board of Directors
For Kalyani Forge Ltd.,

Place : Pune
Date : 23/05/2017

Chandranil Belvalkar
Company Secretary

Route Map for the Venue of Annual General Meeting :



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic Scenario and Industry Structure:

With growth rates somewhat tempered compared to the previous year, the Indian economy has fared reasonably well in the year 16-17 when compared to the global macroeconomic scenario. The year has been marked by significant developments. The GST is almost in place as there were serious efforts on the readiness, bringing to reality the “one nation one tax” (indirect) concept in practice. Concrete efforts to reduce unaccounted transactions thru various measures like demonetization and crackdown on black money hoarders, have all ushered in a move towards transparency in the business environment. The abolition of controls on FDI is expected to usher in investment inflows which are already being witnessed. India’s economy is the sixth-largest in the world measured by nominal GDP and the third-largest by purchasing power parity (PPP). The world economies have to take into consideration our economy while planning. The country is classified as a newly industrialized country, and one of the G-20 major economies, with an average growth rate of approximately 7% over the last two decades.

As always, the manufacturing Sector maintained its larger share of growth rate to the overall economic growth. In the auto and auto ancillary industry there is always a lead time in the SOP (Start of Production). Kalyani Forge have already got a number of new products and new customers in pipeline as a result of the growth of manufacturing sector, for which sales are expected to materialize in the current year partly and fully in next year. This also has the potential for export

The rupee value against world currency has fairly stabilized reducing the anxiety of the exporters and importers. The indirect tax reforms are targeted to simplify tax determination and collection, reduce costs and make the Indian manufacturer cost competitive. Investors are expected to increasingly be attracted to India. The policies of becoming self-reliant in defense and railway requirements will generate demand for alternate products and enable the forging industry to diversify and reduce its dependence on auto industry.

Industry Structure:

The new fiscal 2017-18 augurs bright for the Indian automotive sector. Lower borrowing costs due to pent up demand on the back of demonetization, a mild budgetary support to incomes to drive consumption growth in FY’18 as well as a GDP growth of 7.4 percent are all expected to give a fillip to demand in the automotive sector. The growth of the auto industry is expected to continue in 2017 across all vehicle categories-commercial and passenger vehicles, as well as two and three-wheelers.

In the two-wheeler segment, motorcycles are expected to grow moderately. Demand in the economy and executive sub-segments will revive gradually as various sectors of the economy get remonetized and generate demand. . Expectations of a balanced monsoon and a good rabi crop are also expected to improve the rural demand and give a boost to sales.

Scooters should continue to grow in double digits with two-wheelers growing between 9-11 percent in FY’18. The ban on BS-III vehicles will push up inventory of BS-IV at dealerships and pep up sales. Further with more women joining the urban workforce demand for scooters is expected to register further increase.

Overall we expect that the forging industry will witness a flat rate of growth this year, but there are enough positive indications in the long term which will put the industry back on the strong growth track. The government’s strategic decision to produce all its military requirements indigenously presents a strong opportunity for the forging industry. The Indian forging industry is likely to grow at CAGR of 9.5 percent by 2018, production wise, and reach to 29.7 lakh tons in FY 2017-18 from 22.50 mn MT during FY 2014-15, according to a study by the Association of Indian Forging Industry.

Opportunities & Threats:

As said earlier, the company has scope to diversify into sectors other than auto sector, particularly the defense sector where the government intends to source defence requirements indigenously. The year to come would certainly unfold concrete policy steps in this direction. This would entail expansion and additional capacity utilization. The company has sufficient infrastructure to accommodate the additional plant and machinery required for the new area of activities and business.

With the new business, come new CAPEX, new production line and huge investment. However there is always a risk of customer going back on its projected schedules and the line becoming idle. To mitigate this risk we have started insisting on financial involvement of the customer in the CAPEX required for production of the products ordered by them. We have also started asking for the participation by providing part of the funds required for related CAPEX. Also we need to keep in mind the technological developments related to Electric cars in future. This will make many auto components obsolete. This has to be kept in mind while investing in newer machines.

Outlook:

With the government's policy decision to domestically produce the defense requirements, the forging industry has bright future. There is a huge potential to make in India, creating additional employment, ensuring consistent supply, and saving precious foreign exchange reserves. It may be noted that the defense spending is not cyclical as majority of the consumption by defense is on Training which an ongoing activity. Also the research institutions of the defense continuously need the production of newer products which are outcome of its research activities. This will smoothen our sales planning. Meanwhile, the traditional auto sector would grow with the sales growth in commercial as well as passenger vehicles, of which India is a vast market. However the electric car may be in the offing and in that case many traditional products will become obsolete. Hence the need for diversification is inevitable and the Company is alive to this challenge.

Risks and Concerns:

The incessantly rising industrial fuel and steel prices resulting in rising input costs and shrinking margins are the continuing risk elements in the forging unit. Risk of part becoming obsolete and the risk of a production line remaining idle are also the traditional risks.

Internal Controls and Adequacy:

Your Company has taken significant measures to upgrade its control systems. In the light of the report on Internal financial controls, we have implemented the recommendations like maker checker concept, SAP controls, closure of open ended commitments, reduction in cash transactions, quarterly audits and stage wise costing.

Financial and Operational Performance:

Wherever possible, the company has sought to reduce the cost of financing low cost loans such as PCFC, FCNRRB and Buyers Credit lines. This has kept the cost of finance within acceptable limits. While doing this, we have managed the currency risk appropriately through natural hedging or specific forward contracts.

In accepting newer businesses, we have ensured maximum utilization of its forging capacity. This will result in an improved top line as well as bottom line. We have also decided to implement a number of cost control measures mainly in the areas of manpower costs, the transportation and the outsourcing costs. Also by going for more and more automation in the plant we expect reduction in rejections and the related costs.

Manpower Development in HR and Industrial relations:

Over the years, Company has maintained consistency in its efforts in training and developing its human resource with a view to face the competition. Industrial relations were cordial throughout the year and there was satisfactory co-operation between the management and the workers in working towards the overall objectives of the Company.

Cautionary Statements:

Statements in the management discussions and analysis section describing company's projections, estimations, expectation and predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from the expressed or implied. Important factors that would make a difference to the company's operations include demand supply conditions, raw material prices, changes in government regulations, tax regimes, competition, economic developments within and outside the country, etc.



DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors present the 38th Annual Report together with the Audited Statement of Accounts of **Kalyani Forge Limited** ("the Company") for the year ended March 31, 2017.

Financial Performance:

The summarized standalone results of your Company are given in the table below.

Rs. in Lakhs

Particulars	Financial Year ended Standalone	
	31/03/2017	31/03/2016
Total income from operations (net)	22,684.00	23,093.00
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	1980.00	1,816.00
Finance Charges	269.00	445.00
Depreciation	1,041.00	1,167.00
Tax Expenses	215.00	94.00
Net Profit/(Loss) After Tax	455.00	110.00
Balance of Profit from Previous Year	7,747.00	7,725.00
Profit available for Appropriation	8202.00	7,835.00
Less - Transfer to General Reserves	-	-
Less – Proposed Dividend on Equity Capital	109.14	72.76
Less - Tax on above Dividend	22.22	14.81
Surplus retained in Profit & Loss Account	8070.64	7,747.00

**previous year figures have been regrouped/rearranged wherever necessary.*

Summary of Operations:

During the year, the net revenue from operations of your Company decreased by Rs. 409 Lakhs from Rs. 23,093 Lakhs for the FY 15-16 to Rs. 22,684 Lakhs for the FY 16-17. Your Company's Profit after tax stood at Rs. 455 Lakhs as against profit of Rs. 110 Lakhs last year.

Change in the nature of business, if any:

There is no change in the nature of the business of the Company during the year.

Reserves:

The Company has not transferred any amount to General Reserves for the year under review.

Dividend:

Your Directors are pleased to recommend for approval of members a dividend of Rs.3.00 per Equity Share (30%)

at the face value of Rs 10/- each for the Year ended 31st March, 2017 absorbing Rs. 131.36 Lakhs including Dividend Distribution Tax.

Capital/ Finance:

During the year, the Company has not issued/allotted equity or preference shares. As on 31st March, 2017, the issued, subscribed and paid up share capital of your Company is at Rs. 36,380,000/-, comprising 36, 38,000 Equity shares of Rs.10/- each.

Fixed Deposits:

Your Company has not accepted any deposits from public. Therefore, details relating to deposits, covered under Chapter V of the Companies Act, 2013 are not applicable to the Company.

Extract of Annual Return:

Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is Annexed as **Annexure 1**.

Transfer of Amounts to Investor Education and Protection Fund:

Your Company has transferred funds lying unpaid or unclaimed for a period of seven years to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e. August 2, 2016), with the Ministry of Corporate Affairs.

Details of Board meetings:

During the year, five meetings of Board of Directors were held, details of which are given below:

Date of the Meeting	No. of Directors attended the Meeting
April 16, 2016	5
May 27, 2016	6
August 3, 2016	5
November 11, 2016	6
January 31, 2017	5

Committees of Board:

The composition of the Committees of the Board of Directors has been detailed in the "Corporate Governance Report" annexed to this report.

Declaration by Independent directors:

Mr. Pradeep Nadkarni, Mr. Abhijit Sen & Mr. Vishwas Chitrao are Independent Directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfil the conditions specified in section 149 of the Companies Act, 2013 and the Rules made thereunder regarding their status as Independent Directors of the Company.

Directors and Key Managerial Personnel:

Mrs. Rohini G. Kalyani, Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment.



Mr. Abhijit Sen was appointed as an additional Independent Director on February 02, 2016, subsequently his appointment was regularised as an Independent Director in the Annual General Meeting held on 2nd August 2016 for the term of five years.

Mr. Vishwas Chitrao was appointed as an additional Independent Director on April 16, 2016, subsequently his appointment was regularised as an Independent Director in the Annual General Meeting held on 2nd August 2016 for the term of five years

Mr. Ravi Dugar resigned from the post of Company Secretary effective from September 23, 2016 and Mr. Chandranil Belvalkar was appointed on October 26, 2016 as Company Secretary and Compliance Officer.

Formal Annual Evaluation:

SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. Also, the Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its Committees and individual Directors. In addition, Schedule IV to the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

In pursuance of above, the Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the Non-Executive Directors and Executive Directors.

The Company commenced with the review of the best practices prevalent in the industry and evaluation of Board members. On the basis of review and the policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors.

At a Separate meeting of Independent Directors held on 31st March 2017, performance evaluation of Chairperson, Non- Independent Directors, and the Board of Directors was carried out by Independent Directors which has also reviewed the adequacy of the flow of information between the Company Management and Board .

The detailed programme for familiarisation of Independent Directors with the Company, their roles, rights and responsibilities in the Company, nature of business, AOP, business model of the Company, etc. was undertaken by the Company.

Company's policy on appointment and remuneration:

The policies relating to selection of Directors and determining Directors independence and Remuneration Policy for Directors, Key Managerial Personnel and other employees is attached herewith enclosed as **Annexure 2**.

Highlights on Company's policy on Sexual Harassment:

As per "SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013", the highlights of the policy adopted by the company is enclosed herewith as **Annexure 3**.

Holding and Subsidiaries:

During the period under review the Company does not have any holding or subsidiary company.

Statutory Auditors, their Report and Notes to Financial Statements:

The Company in its Annual General Meeting held on August 2, 2016 appointed M/s K.S. Aiyar & Co. Chartered Accountants as Statutory Auditor of the Company for a period of five years with effect from the conclusion of 37th Annual General Meeting of the Company held on August 2, 2016.

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 the appointment of Statutory Auditors shall be placed for ratification at every Annual General Meeting.

Accordingly a letter is received from M/s K.S. Aiyar & Co. Chartered Accountants confirming that appointment if made shall be as per eligibility required under Section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

Your Directors seek ratification from the members for the appointment of M/s K.S. Aiyar & Co. Chartered Accountants as the Statutory Auditors of your Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the 39th Annual General Meeting of the Company.

Internal financial controls:

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company.

Cost Audit:

As per the Cost Audit Orders, Cost Audit is applicable to the Company's forging business for the FY 2017-18.

In view of the same and in terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. R. A Chincholkar & Co, Cost Accountants have been appointed as Cost Auditors to conduct the audit of cost records of your company for the financial year 2017-18. The resolution for remuneration proposed to be paid to them requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing Annual General Meeting.

Secretarial Audit:

In terms of Section 204 of the Companies Act, 2013 and Rules made thereunder, M/s HR & Associates, Practicing Company Secretaries have been appointed Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as **Annexure 4** to this report. The Directors have noted the qualifications in Secretarial Audit Report. As there was frequent attrition in the officers/employees of the Company due to which Compliance mechanism was disturbed, however necessary steps have been taken to ensure the required compliances.

Human Resources:

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company's thrust is on the promotion of talent internally through job rotation and job enlargement.

Related Party Transactions:

All contracts/ arrangement/ transactions entered by the Company during the Financial Year with related party were in the ordinary course of business and on arm's length basis. Such transaction forms part of the notes to the financial statements provided in the Annual Report.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions which is available on the Company's Website: www.kalyaniforge.co.in.

The summary of related party transaction is enclosed as **Annexure 5**.

Risk Management Policy:

In terms of the requirement of the Companies Act, 2013, the Company has developed and implemented the Risk Management Policy and the Audit Committee of the Board reviews the same periodically. The detailed Risk Management Policy is available on Company's website. Highlights of the same are enclosed as **Annexure 6**.



Particulars of Loans, Guarantees or investments under section 186 :

During the year under review, the Company has not given any loan or guarantee or made investments covered under section 186 of the Companies Act, 2013

Management Discussion and Analysis:

Management Discussion and Analysis comprising an overview of the financial results, operations / performance and the future prospects of the Company form part of this Annual Report.

Corporate Social Responsibility (CSR):

The Company has adopted the CSR policy pursuant to Sec 135 of the Companies Act, 2013. The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as **Annexure 7**.

Highlights of Corporate Social Responsibility Policy:

The Company proposes to undertake CSR projects and programmes in respect of the activities stated below with a preference to implement these projects and programme in the areas in which it operates:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
- Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- Promoting gender equality, empowering women, setting-up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
- Protection of national heritage, art and culture including restoration of buildings and sites historical importance and works of art; setting-up public libraries, promotion and development of traditional arts and handicrafts.
- Measures for the benefit of armed forces veterans, war widows and their dependents.
- Training to promote rural sports, nationally recognised sports, Paralympics Sports and Olympic Sports.
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- Rural development Projects.

Particulars of Employees:

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement of particulars of employees is annexed as **Annexure 8**.

Details of establishment of vigil mechanism for directors and employees:

The details of establishment of vigil mechanism for directors and employees to report genuine concerns are to be disclosed.

Highlights of Whistle Blower Policy are enclosed as an **Annexure 9**.

Corporate Governance Certificate:

The Compliance certificate from the Auditors regarding compliance of conditions of corporate governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed with the report.

Details of conservation of energy, technology absorption, foreign exchange earnings and outgo**(a) Conservation of energy**

(i)	the steps taken or impact on conservation of energy	The Company, in its continuous endeavor to conserve energy, has adopted various innovative measures to reduce waste and to achieve optimum utilization of energy resulting into good earning of Power Factor incentive from MSEB and in turn resulting into reduction of power cost.
(ii)	the steps taken by the company for utilizing alternate sources of energy	
(iii)	the capital investment on energy conservation equipments	-

(b) Technology absorption

(i)	the efforts made towards technology absorption	-
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	<ul style="list-style-type: none"> ● Productivity improvement in both forged and machined components together with competitive quality. ● Process technology improvements to achieve competitive advantage in the business. ● Successful commercial scale up of forged and machined parts. ● Capability building for attracting new customers.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported (b) the year of import; (c) whether the technology been fully absorbed (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	-
(iv)	the expenditure incurred on Research and Development	-



Total energy consumption and energy consumption per unit of production is as given below:

Sr. No.	Description	2016-17	2015-16	2014-15
1)	POWER AND FUEL CONSUMPTION			
I)	Electricity			
a)	Purchased Units (KWH)	2,41,87,484	2,37,49,492	2,13,90,241
	Total Amount (In. Rs)	20,00,82,381	17,95,34,612	15,33,15,307
	Rate/Unit (Rs)	8.27	7.55	7.17
b)	Own Generation			
i)	Through Diesel Generator	1,06,840	1,00,409	1,00,409
ii)	Through Steam Generator (KWH)	0	0	0
II)	Coal	0	0	0
III)	Fuel Oil (FO + CBFS)			
	Quantity (Ltrs.)	11,74,005	1054730	9,71,605
	Total Amount (In Rs.)	3,60,69,000	2,78,22,080	5,19,79,209
	Average Rate /Litre (Rs.)- FO+CBFS	30.72	26.70	40.07
2)	CONSUMPTION PER UNIT OF PRODUCTION			
	Product : high quality closed tolerance die forgings			
	Unit : M.T.	15,566	15,526	15,159
	Electricity (KWH)	1560	1518.2	1141.05
	Fuel Oil (KL/TON)	0.075	0.07	0.08
	Coal	Nil	NIL	NIL

(c) Research & Development (R&D):

I) Specific Areas of Research & Development:

Development of new products both in the area of Forging as well as Machined components for Domestic & Export.

- 1) During the year 2016-17, Company made significant achievements in the area of product Development. The Company developed variety of products as per the specific requirements of the customers such as Machined Inner and Outer Hubs, Machined Arm Front Suspension LH and RH, Inner and Outer Chain Links, Machined Male and Female Tulips, Flange Shafts, Machined Pulley 5 Grooves, Fracture Connecting Rod Assembly, Flanges, Machined Nozzle Rings etc.
- 2) Introduced and established Induction Hardening technology for Inner and outer Hubs.
- 3) Die Locks introduced for Warm and hot forging components to reduce die setup time and to improve forging quality.
- 4) Introduced W303 Die material for Tulip Warm Forging Dies to improve die life – by VAVE Approach.

On the above said research & development activity, the Company has spent Rs. 584.81 Lakhs during the year.

II) Future Plan of Action:

- 1) Research & Development in Single Minute Exchange of Dies (SMED) project.
- 2) Focused development of variety of Warm and Cold forging and machined, premium components.



- 3) Planning to commence activities in bigger size forgings.
- 4) W360 Die Material Selection for Increasing the Life of small Con Rod Forging Dies – by VAVE Approach.
- 5) Research & Development on die weld over lays for increasing die life of complex profile parts.
- 6) Optimization of input material to improve maximum forging yield ratio.
- 7) Introduce Spline rolling technology for Tulips.

The Company has budgeted Rs. 600 Lakhs for the above activity during the next financial year.

(d) Foreign exchange earnings and Outgo:

During the year, the total foreign exchange used was Rs. 1,215 Lakhs and the total foreign exchange earned was Rs. 1,979 Lakhs

(e) Technology Absorption, Adaptation and Innovation:

Through In-house Research and Development activities Company has developed Outer race forgings for Driveline assemblies with internal tracks by Warm and cold forging method. With the help of fracture split technology, the Company is now moving towards adoption of technology for critical automotive connecting rods for the overseas markets.

Directors' Responsibility Statement

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) 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.
- (f) 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.

Acknowledgement:

Your Directors place on record their appreciation for employees at all levels, who have contributed to the growth and performance of your Company.

Your Directors also thank the clients, vendors, bankers, shareholders and advisers of the Company for their continued support. Your Directors also thank the Central and State Governments, and other statutory authorities for their continued support.

For and on behalf of the Board

Place : Pune
Date : 23/05/2017

Rohini G. Kalyani
Chairperson & Managing Director
(DIN : 00519565)

**Annexure 1****Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2017 of
KALYANI FORGE LIMITED**

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L28910MH1979PLC020959
- ii) Registration Date : 29/01/1979
- iii) Name of the Company : KALYANI FORGE LIMITED
- iv) Category / Sub-Category of the Company : Company limited by shares
- v) Address of the Registered Office and contact details : Shangrila Gardens C Wings 1st Floor,
Opp Bund Garden, Pune 411001
- vi) Whether listed company : Yes
- vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any : Link Intime India Pvt. Ltd.
202 Akshay Complex, Off. Dhole Patil
Road, Pune - 411001

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:-

Sr. No.	Name and Description of main products /services	NIC Code of the Product/ service	% to total turnover of the company
1.	Single Business Segments	25910	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S.No	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of shares held	Applicable Section
1.	N.A.	N.A.	N.A.	N.A.	N.A.
2.	N.A.	N.A.	N.A.	N.A.	N.A.

IV. SHARE HOLDING PATTERN (Equity Share capital breakup as percentage of total equity):**(i) Category-wise share holding**

Sr. No	Category of Shareholder	Shareholding at the beginning of the year - 2016				Shareholding at the end of the year - 2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoters									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	144176	0	144176	3.9631	144176	0	144176	3.9631	0
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Bodies Corporate	1988120	0	1988120	54.6487	1988120	0	1988120	54.6487	0
(d)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Sub Total (A)(1)	2132296	0	2132296	58.6118	2132296	0	2132296	58.6118	0
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000



Sr. No	Category of Shareholder	Shareholding at the beginning of the year - 2016				Shareholding at the end of the year - 2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b)	Bodies Corporate	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Bank/Financial instructions	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	2132296	0	2132296	'58.6118	2132296	0	2132296	'58.6118	0
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b)	Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Central Government	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	State Government(s)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Venture Capital fund	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(f)	Insurance Companies	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(g)	FII's	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(h)	Foreign Venture Capital Fund	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
[3]	Non-Institutions									
(a)	Bodies Corporate	261098	570900	831998	22.87	199573	570900	770473	'21.1785	1.69
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	284330	103377	389357	10.7	317249	101277	418526	'11.5043	0.8
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	89961	182000	271961	7.48	99649	182000	281649	'7.7419	'0.0000
(c)	Any Other (Specify)									
	Trusts	0	100	100	0.0027	0	100	100	'0.0027	0
	Hindu Undivided Family	8794	0	8794	0.24	20420	0	20420	'0.5613	0.32
	Non Resident Indians (Non Repat)	1566	0	1566	0.04	2161	0	2161	'0.0594	0.019
	Non Resident Indians (Repat)	1591	0	1591	0.04	3497	0	3497	'0.0961	0.56
	Clearing Member	1987	0	1987	0.05	8878	0	8878	'0.2440	0.19
	Sub Total (B)(2)	649327	856377	1505704	5.9171	651427	854277	1505704	'41.3882	'25.4222
	Total Public Shareholding(B)=(B)(1)+(B)(2)	649327	856377	1505704	5.9171	651427	854277	1505704	'41.3882	'25.4222
	Total (A)+(B)	2781623	856377	3638000	'100.0000	2783723	854277	3638000	'100.0000	'0.0000
C	Shares held by custodian for GDR/ADR	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total (A)+(B)+(C)	2781623	856377	3638000	'100.0000	2783723	854277	3638000	'100.0000	'0.0000

**(ii) Shareholding of Promoters:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year - 2016			Shareholding at the end of the year - 2017			% Change In share holding During the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	
1.	Kalyani Consultants Pvt.Ltd.	377,280	10.37	NIL	377280	10.37	NIL	NIL
2.	Vakratund Investment Pvt. Ltd.	342,342	9.41	NIL	342342	9.41	NIL	NIL
3.	Pax Investments Pvt Ltd	340,074	9.35	NIL	340074	9.35	NIL	NIL
4.	Squirrel Financers And Investors Pvt Ltd	186,480	5.13	NIL	186480	5.13	NIL	NIL
5.	Bellona Investment Pvt Ltd	173,124	4.76	NIL	173124	4.76	NIL	NIL
6.	Kalyani Exports & Investments Pvt.Ltd.	95,600	2.63	NIL	95600	2.63	NIL	NIL
7.	Attila Investment Pvt Ltd	94,500	2.60	NIL	94500	2.60	NIL	NIL
8.	Monte Carlo Investment Private Limited	94,500	2.60	NIL	94500	2.60	NIL	NIL
9.	Vikat Investment Pvt Ltd	65,520	1.80	NIL	65520	1.80	NIL	NIL
10.	Dukhaharta Investment Pvt Ltd	64,260	1.77	NIL	64260	1.77	NIL	NIL
11.	Sukhakarta Investment Pvt Ltd	64,260	1.77	NIL	64260	1.77	NIL	NIL
12.	Gaurishankar Neelkanth Kalyani	47,020	1.29	NIL	47020	1.29	NIL	NIL
13.	Agasti Investment & Trading Private Limited	35,280	0.97	NIL	35280	0.97	NIL	NIL
14.	Rohini Gaurishankar Kalyani	32,236	0.89	NIL	32236	0.89	NIL	NIL
15.	Sheetal Gaurishankar Kalyani	31,635	0.87	NIL	31635	0.87	NIL	NIL
16.	Viraj Gaurishankar Kalyani	33285	0.91	NIL	33285	0.91	NIL	NIL
17.	Rajgad Trading Company Pvt.Ltd.	28,200	0.78	NIL	28200	0.78	NIL	NIL
18.	Aboli Investment Pvt Ltd	26,500	0.73	NIL	26500	0.73	NIL	NIL
19.	Jannhavi Investment Private Limited	200	0.01	NIL	200	0.01	NIL	NIL

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

Sr. No.	Name of Shareholder	Share holding		Date	Increase / De crease in shareholding	Reason	Cumulative shareholding during the year (1/04/2016 to 31/03/2017)	
		No. of Shares at the beginning of year (01/04/2016)	% of total shares of the company				No of shares	% of total shares of the Company
		End of the year (31/03/2017)						
1.	Kalyani Consultants Pvt. Ltd.	377,280 377,280	10.37 10.37	01/04/2016 31/03/2017	NIL	No change During the year	377,280	10.37
2	Vakratund Investment Pvt. Ltd.	342,342 342,342	9.41 9.41	01/04/2016 31/03/2017	NIL	No change During the year	342,342	9.41
3.	Pax Investments Pvt Ltd	340,074 340,074	9.35 9.35	01/04/2016 31/03/2017	NIL	No change During the year	340,074	9.35
4	Squirrel Financers And Investors Pvt. Ltd	186,480 186,480	5.13 5.13	01/04/2016 31/03/2017	NIL	No change During the year	186,480	5.13
5	Bellona Investment Pvt Ltd	173,124 173,124	4.76 4.76	01/04/2016 31/03/2017	NIL	No change During the year	173,124	4.76



Sr. No.	Name of Shareholder	Share holding		Date	Increase / De crease in shareholding	Reason	Cumulative shareholding during the year (1/04/2016 to 31/03/2017)	
		No. of Shares at the beginning of year (01/04/2016)	% of total shares of the company				No of shares	% of total shares of the Company
		End of the year (31/03/2017)						
6	Kalyani Exports & Investments Pvt. Ltd.	95,600 95,600	2.63 2.63	01/04/2016 31/03/2017	NIL	No change During the year	95,600	2.63
7	Attila Investment Pvt Ltd	94,500 94,500	2.60 2.60	01/04/2016 31/03/2017	NIL	No change During the year	94,500	2.60
8	Monte Carlo Investment Private Limited	94,500 94,500	2.60 2.60	01/04/2016 31/03/2017	NIL	No change During the year	94,500	2.60
9	Vikat Investment Pvt Ltd	65,520 65,520	1.80 1.80	01/04/2016 31/03/2017	NIL	No change During the year	65,520	1.80
10	Dukhaharta Investment Pvt Ltd	64,260 64,260	1.77 1.77	01/04/2016 31/03/2017	NIL	No change During the year	64,260	1.77
11	Sukhakarta Investment Pvt Ltd	64,260 64,260	1.77 1.77	01/04/2016 31/03/2017	NIL	No change During the year	64,260	1.77
12	Gaurishankar Neelkanth Kalyani	47,020 47,020	1.29 1.29	01/04/2016 31/03/2017	NIL	No change During the year	47,020	1.29
13	Agasti Investment & Trading Private Limited	35,280 35,280	0.97 0.97	01/04/2016 31/03/2017	NIL	No change During the year	35,280	0.97
14	Rohini Gaurishankar Kalyani	32,236 32,236	0.89 0.89	01/04/2016 31/03/2017	NIL	No change During the year	32,236	0.89
15	Sheetal Gaurishankar Kalyani	31,635 31,635	0.87 0.87	01/04/2016 31/03/2017	NIL	No change During the year	31,635	0.87
16	Viraj Gaurishankar Kalyani	33285 33285	0.91 0.91	01/04/2016 31/03/2017	Nil	No change During the year	33285	0.91 0.91
17	Rajgad Trading Company Pvt.Ltd.	28,200 28,200	0.78 0.78	01/04/2016 31/03/2017	NIL	No change During the year	28,200	0.78
18	Aboli Investment Pvt Ltd	26,500 26,500	0.73 0.73	01/04/2016 31/03/2017	NIL	No change During the year	26,500	0.73
19	Jannhavi Investment Private Limited	200 200	0.01 0.01	01/04/2016 31/03/2017	NIL	No change During the year	200	0.01

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 3638000 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

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

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year			Cumulative Shareholding during the year		
		As on quarter in case of any changes	No. of Shares held	Shares as % of Total No. of Shares	As on March 31, 2017	No. of Shares held	Shares as % of Total No. of Shares
1	Amrit Steels Private Limited	March 31, 2016	178,036	4.15	March 31, 2017	1,67,773	4.61
2	Vijay Kumar Agarwal	March 31, 2016	92,881	2.4	March 31, 2017	85767	2.36
3	Satish Ashok Sabnis	March 31, 2016	19,358	0.53	March 31, 2017	20,653	0.57
4	BP Equities Pvt Ltd	March 31, 2016	-	-	March 31, 2017	7000	0.19
5	Malti Maharudrappa Kheny	March 31, 2016	5640	0.16	March 31, 2017	5640	0.16
6	Golden Goenka Commerce Private Limited	March 31, 2016	-	-	March 31, 2017	5577	0.15



Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year			Cumulative Shareholding during the year		
		As on quarter in case of any changes	No. of Shares held	Shares as % of Total No. of Shares	As on March 31, 2017	No. of Shares held	Shares as % of Total No. of Shares
7	Ashari Agencies Limited	March 31, 2016	5318	0.15	March 31, 2017	5318	0.15
8	Bijal Kishorechand Madhani	March 31, 2016	-	-	March 31, 2017	5000	0.14
9	Bhavana Govindbhai Desai	March 31, 2016	4000	0.11	March 31, 2017	4000	0.11
10	Krishna Kumar R	March 31, 2016	4075	0.11	March 31, 2017	3860	0.10

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name of Director/KMP	Shareholding at the beginning of the year (1/04/2016)		Date wise increase/decrease in shareholding during the year	Cumulative shareholding at the end of the year	
		No. of shares	% of total shares of Company		No. of shares	% of total shares of Company
1	Mrs. Rohini G. Kalyani, Chairperson & Managing Director	32,236	0.89	No Change	32,236	0.89
2.	Mr. Viraj Kalyani, Executive Director	33,285	0.91	No Change	33,285	0.91
3.	Mr. Gaurishankar N. Kalyani, Non Executive Director	47020	1.29	No Change	47020	1.29
4.	Mr. Pradip Nadkarni, Independent Director	306	0.008	No Change	306	0.008
5.	Mr. Abhijit Sen, Independent Director	0	0	No Change	0	0
6.	Mr. Vishwas Chitrao, Independent Director	0	0	No Change	0	0
	Key Managerial Person					
7.	Mr. Avinash Khare	0	0	No Change	0	0
8.	Mr. Chandranil Belvalkar	0	0	No Change	0	0

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	36,34,08,264	4,48,91,602	NIL	40,82,99,866
ii) Interest due but not paid	32,63,463	NIL	NIL	32,63,463
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	36,66,71,727	4,48,91,602	NIL	44,15,63,329
Change in Indebtedness during the financial year				
• Addition	28,24,93,118	NIL	NIL	28,24,93,118
• Reduction	4,05,55,078	1,37,73,595	NIL	5,43,28,673
Net Change	24,19,38,040.06	13,77,595	NIL	25,57,11,635
Indebtedness at the end of the financial year				
i) Principal Amount	60,53,46,304	3,11,18,007	NIL	63,64,64,311
ii) Interest due but not paid	44,84,558	NIL	NIL	44,84,558
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	60,98,30,862	3,11,18,007	NIL	64,09,48,869

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/WT/Manager		Total Amount
		Rohini G. Kalyani	Viraj G. Kalyani	
1.	Gross salary	20,75,220	20,75,220	41,50,440
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under	NIL	NIL	
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission- as % of profit- others, specify...	13,55,510	6,69,364	20,24,874
5.	Others, please specify	NIL	NIL	NIL
	Total (A)	34,30,730	27,44,584	61,75,314
	Ceiling as per the Act	10%	10%	68,61,460

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors*				Total Amount
			Mr. Pradip Nadkarni	Mr. Vishwas Chitrao (Appointed w.e.f. 16 th April 2016)	Mr. Abhijit Sen	
1.	Independent Directors					
(a)	Fee for attending board and committee meetings		1,16,000	70,000	88,000	2,74,000
(b)	Commission		2,00,000	86,146	2,00,000	4,86,146
(c)	Others, please specify		-	-	-	-
	Total (1)		3,16,000	1,56,146	2,88,000	7,60,146
		Mr. G. N. Kalyani				
2.	Other Non-Executive Directors					
(a)	Fee for attending board and committee meetings	1,02,000				1,02,000
(b)	Commission	2,00,000				2,00,000
(c)	Others, please specify	-				-
	Total (2)	3,02,000				3,02,000
	Total (B)=(1+2)					10,62,146
	Total Managerial Remuneration (A+B) *					72,37,460
	Overall Ceiling as per the Act					75,47,605

* Total remuneration to Managing Director, Whole Time Director and other Directors.



**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD
All CEO, CS & CFO during FY 2016-17:**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		COO*	Company** Secretary	CFO	
1	Gross salary	12,23,546	4,75,731	11,87,856	28,87,133
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
(b)	Value of perquisites u/s17(2) Income-tax Act, 1961		—		
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission- as % of profit- others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	12,23,546	4,75,731	11,87,856	28,87,133

*Salary of COO is till 10th June 2016.

**Salary of Company Secretary includes Salary of Current Company Secretary & Previous Company Secretary

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						
	Penalty	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS						
	Penalty	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT						
	Penalty	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board

Place : Pune
Date : 23/05/2017

Rohini G. Kalyani
Chairperson & Managing Director
(DIN : 00519565)

Annexure 2

BOARD NOMINATION AND REMUNERATION COMMITTEE CHARTER

(Based on external and internal best practices)

1. Objectives of the Nomination and Remuneration Committee

- 1.1 The Nominations and Remuneration Committee (the “Committee”) of the Board of Directors (the “Board”) of Kalyani Forge Limited (the “Company”) shall discharge the Board’s responsibilities to shareholders, the investment community and other stakeholders with respect to (i) preparations relating to the election of members of the Board of Directors (ii) handling matters within its scope of responsibility that relate to the conditions of employment and remuneration of senior management; (iii) setting the performance standards, budgets and targets for the Executive team of the Company; (iv) setting the compensation and performance bonuses of the Company’s executive officers; (v) overseeing the Company’s Human Resources and People strategy; (vi) Identifying Independent Directors to be inducted to the Board from time to time; (vii) to recommend nomination for Chairmanship & memberships of various committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, etc functioning under the Board of Directors of Kalyani Forge Limited; and (viii) performing such other duties and responsibilities as may be consistent with the provisions of this charter.
- 1.2 The Committee will report periodically to the Board on its activities.

2. Composition

- 2.1 The Committee shall comprise of three or more non-executive directors out of which not less than one half shall be independent directors as members. The Chairman of the Committee shall be an independent director and the Chairperson of the Company may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.
- 2.2 The Chairman of the Committee shall be an independent director, elected from amongst the members of the Committee.

3. Meetings and quorum

- 3.1 The Committee shall meet at least four times in a year and not more than four months shall elapse between any two meetings.
- 3.2 The Committee may invite such of the executives, as it considers appropriate to be present at the meetings of the committee.
- 3.3 The Head of Company Secretary for the Company shall act as the secretary to the Committee.
- 3.4 The quorum for the Committee Meetings shall be two-thirds of the members of the Committee. However, at least one independent member must be present.
- 3.5 The Chairperson of the committee could be present at the Annual General Meeting to answer the shareholders queries, However it would be up to the Chairman to decide who should answer the queries.

4. Authority and Powers

The Committee shall have the following powers:

To investigate any activity within the scope of this Charter or referred to it by the Board. To seek any information or explanation from any employee or director of the Company. To ask for any records or documents of the Company.

To engage independent consultants and other advisors and seek their advice.



5. Roles & Responsibilities

The responsibilities of the Committee shall be the following:

5.1 Relating to the Company:

Identify the person qualified to become directors and may be appointed in senior management and recommend their appointment and removal and also carry out evaluation of every director.

Evaluate & approve the Company's remuneration plan, annual salary increase principles and budgets, policies & programs such as succession plan, employment agreements, severance agreements, and any other benefits.

Evaluate issues pertaining to the appointment and remuneration payable to senior executives.

Evaluate terms & conditions relating to the Annual and Long Term Incentive Plans of the Company, including plan design, supervision and pay outs.

Consider & approve matters relating to Normal retirement plans, voluntary retirement & early separation Schemes for employees of the Company.

Evaluate the terms and conditions for induction of independent Directors to the Board and review the processes to refresh the composition of the Board and its Committees.

To devise a policy on Board diversity

Such other matter as the Board may from time to time request the Committee to examine & recommend or approve.

The Nomination and Remuneration Committee shall ensure while formulating the policy determining qualifications, positive attributes and independence of a Director that –

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals; Provided that such policy shall be disclosed in the Board's report.

5.2 Relating to the Performance and Remuneration of the MD, ED's and the KMP's:

Establish key performance metrics to measure the performance of the Managing Director and the KMP's including the use of financial, non-financial and qualitative measures.

Evaluate executive team performance regularly to strengthen the cumulative annual assessment and to provide timely feed-back to the assessed individuals.

Developing a view on the human resources capability in the business by periodically engaging with levels below the executive team.

Evaluate executives for elevation to Board level positions.

Review and recommend to the Board the remuneration & commission to the managing and executive directors.

Relating to the performance and remuneration of the non-executive Directors:

Define the principles, guidelines and process for determining the payment of commissions to non executive directors of the Company.

Assist the Board in fulfilling its corporate governance responsibilities relating to non-executive directors' remuneration.

5.3 Relating to the induction of independent Directors and the nomination to the Committees of the Board:

Evaluate the terms and conditions for induction of independent Directors to the Board and review and frame the processes to recommend the nomination on the Committees of the Board.

Formulation of criteria for evaluation of performance of independent directors.

5.4 Other functions:

Perform other activities related to this Charter as requested by the Board of Directors.

Carry out additional functions as required by other regulatory requirements applicable to the Company or in the terms of reference of the Committee.

6. Reporting

6.1 The Committee will periodically report to the Board on various matters that it has considered.

6.2 The Annual Report of the Company shall disclose the composition of the Committee, brief description of the scope of the Committee Charter, names of members, Chairperson, Meetings and attendance.

7. Compensation

Members of the Committee shall receive such sitting fees and / or commission, if any, for their services as Committee members as may be determined by the Board in its sole discretion.

8. Evaluation

The Committee shall conduct an annual self-evaluation of its performance and report the result to the Board of Directors. It shall confirm annually to the Board that the responsibilities outlined above have been carried out.

9. Review of Remuneration Committee Charter

The adequacy of this Charter shall be reviewed and reassessed by the Committee annually. Appropriate recommendations shall be made to the Board, (based on changes that may be brought about to the regulatory framework or otherwise) from time, to time to update the Charter.

For and on behalf of the Board

Rohini G. Kalyani
Chairperson & Managing Director



Annexure 3

Highlights of Sexual Harassment Policy

DISCLOSURE UNDER THE "SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013".

In terms of Section 22 of the above mentioned Act, read with Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Rule, 2013, we report as follows for the year ended on March 31, 2017:

1	No. of Complaints received in the year	:	Nil
2	No. of Complaints disposed off in the year	:	Nil
3	Cases pending for more than 90 days	:	Nil
4	No. of workshops and awareness programmes conducted in the year	:	

For and on behalf of the Board

Place : Pune
Date : 23/05/2017

Rohini G. Kalyani
Chairperson & Managing Director
(DIN : 00519565)

Annexure 4

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2017

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

To,

**The Members,
Kalyani Forge Limited**

(CIN: L28910MH1979PLC020959)

**Shangrila Gardens,
C- Wings 1st Floor Opp,
Bund Garden,
Pune- 411001, Maharashtra**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter, *subject to some observations in filing and submission of disclosures and documents/information under applicable Rules, Regulations and Laws.*

I have examined the books, papers, minute books, records, forms and returns filed and other records maintained by Company for the financial year ended on March 31, 2017 according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956(SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. Provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing were not attracted to the Company under the financial year under review.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI Act') :
 - (a) The Securities and Exchange Board of India(Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009: **(Not applicable, since the Company has not made any further issue of shares during the financial year under review);**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999: **(Not applicable as the Company has not introduced any such scheme during the financial year under review);**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: **(Not applicable as the Company has not issued any Debt securities during the financial year under review);**



- (f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993: **(Not applicable, since the Company has not registered as Issue and Share Transfer Agent during the Financial Year under review);**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: **(Not applicable, since, the Company has not delisted/proposed to delist its equity shares from any Stock Exchange(s) during the financial year under review);**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable as the Company has not brought back/proposed to Buy back any of its' securities during the financial year under review)**
6. List of other Laws applicable to the Company, as attached herewith as "Annexure-B" to this Report. *I shall not be able to comment on compliances of these laws, mentioned in "Annexure-B", since records were not fully available for inspection during the course of Audit.*

I have also examined compliance with the applicable clauses and regulations of:

- I. The Secretarial Standards issue by the Institute of Company Secretaries of India.
- II. The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange.
- III. SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015

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

- a. ***Delay in submission of Compliance Certificate related to Share Transfer, Transmission; issued, on half yearly basis, by Practising Company Secretary; submitted to Stock Exchanges during the Financial Year 2016-2017.***
- b. ***Delay in submission of proceeding of Annual General Meeting held on August 02, 2016.***
- c. ***Delay in submission of Share Capital Reconciliation Statement under Regulation 55A under SEBI (Depository & Participants) Regulations, 1996 during the Financial Year 2016-2017.***

During the course of Audit, we understood from the management that, there were frequent attritions in Key Managerial Personnel, due to which mechanism was disturbed; however the management has appointed adequate Key Managerial Personnel, which has resulted in carrying out compliance effectively and efficiently.

I further report that-

Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For HR & Associates,
Company secretaries

Hrishikesh Rajhansa
Company Secretary
FCS: 9162 COP: 8984

Date: May 16, 2017
Place: Pune

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A", "ANNEXURE B", "ANNEXURE-C" and forms an integral part of this report.

Annexure A

To,

**The Members,
Kalyani Forge Limited**

(CIN: L28910MH1979PLC020959)

**Shangrila Gardens,
C- Wings 1st Floor Opp,
Bund Garden,
Pune- 411001, Maharashtra**

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

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

For HR & Associates,
Company secretaries

Date: May 16, 2017
Place: Pune

Hrishikesh Rajhansa
Company Secretary
FCS: 9162 COP: 8984

ANNEXURE B**List of applicable laws to the Company**

1. The Factories Act, 1948
2. Industrial Disputes Act, 1947
3. The Contract Labour (Regulation and Abolition) Act, 1970
4. The Maternity Benefits Act, 1961
5. The Competition Act, 2002
6. The Bombay Shops and Establishments Act, 1948
7. The Payment of Wages Act, 1936
8. The Minimum Wages Act, 1948
9. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder;
10. Employees Provident Fund And Misc. Provisions Act, 1952
11. The Payment of Bonus Act, 1965
12. The Environment (Protection) Act, 1986
13. Electricity Act, 2003
14. Indian Stamp Act, 1999
15. Negotiable Instrument Act 1881
16. Payment of Gratuity Act, 1972
17. Water (Prevention & Control of Pollution) Act 1974 and rules there under;
18. Air (Prevention & Control of Pollution) Act 1981 and rules there under;
19. Equal Remuneration Act, 1976
20. Employee Compensation Act, 1923
21. Employment exchange (Compulsory notification of Vacancies) Act, 1959

For HR & Associates,
Company secretaries

Date: May 16, 2017
Place: Pune

Hrishikesh Rajhansa
Company Secretary
FCS: 9162 COP: 8984

ANNEXURE-C**List of documents verified during the course of audit**

1. Listing Agreement, Memorandum and Articles of Association of the Company and Policies of the Company.
2. Annual Reports for the Financial Year ended 31st March, 2016; 31st March, 2015 and 31st March, 2014.
3. Minutes of the meeting of Board of Directors, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee with Attendance Registers.
4. Minutes of General Meeting held during the year 2016-2017.
5. Statutory Register of the Company includes:
 - a. Register of Directors and KMP
 - b. Register of Members
 - c. Register of Directors' Shareholding
 - d. Register of Charge
 - e. Register of Contracts
 - f. Register of loans, guarantees, securities and acquisitions made by the Company
 - g. Register of Transfers
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 149 and Section 184 of the Companies Act, 2013.
7. Forms filed by the Company with Registrar of Companies, Pune, during the year 2016-2017.
8. Documents/correspondences made by the Company to Bombay Stock Exchange and National Stock Exchange during the year 2016-2017.
9. Information about various filings done by the Company to Bombay Stock Exchange and National Stock Exchange, during the year 2016-2017.

For HR & Associates,
Company secretaries

Date: May 16, 2017
Place: Pune

Hrishikesh Rajhansa
Company Secretary
FCS: 9162 COP: 8984

**Annexure 5**

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Not Applicable as there are no related Party transactions during the year which were not on arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis -

During the Financial Year 2016-17, all the transactions entered into with related parties were at arm's length. However, these transactions were not material.

For and on behalf of the Board

Place : Pune
Date : 23/05/2017

Rohini G. Kalyani
Chairperson & Managing Director
(DIN : 00519565)

Annexure 6

Highlights of Risk Management Policy

With the past experience and to ensure sustainable business growth with stability, the Company proposes to promote and implement a Risk Management policy, a pro-active approach in reporting, evaluating and resolving risks associated with the business.

The specific objectives of the Risk Management Policy shall be:

1. To ensure that all the current and future material risk exposures of the Company to be identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management.
2. To establish a framework for the Company's risk management process and to ensure its implementation.
3. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
4. To assure business growth with financial stability.

The Company recognizes that risk is an integral and unavoidable component of business and further wishes to manage the risk in a proactive and effective manner. The Company further believes that the risk cannot be eliminated, but can try to eliminate the same using the following:

1. Transfer to another party, who is willing to take risk, say by buying an insurance policy or entering into a forward contract;
2. Reduced, by having good internal controls;
3. Avoided, by not entering into risky businesses;
4. Retained, to either avoid the cost of trying to reduce risk or in anticipation of higher profits by taking on more risk, and;
5. Shared, by following a middle path between retaining and transferring risk.
6. Ensure customer continuity by way of Quality satisfaction, Quantity requirements and meeting with other business compliances.
7. Contingency Plans, in case of discontinuation of customer.

Risk Management Framework

Activities at all levels of the organization, viz., Enterprise level; Division level; Business Unit level shall be considered in the risk management framework. Since these components are interrelated and drive the Enterprise Wide Risk Management, the company initially shall focus on three key elements, viz.,

- (1) Risk Assessment
- (2) Risk Management
- (3) Risk Monitoring Risk Assessment

Risks are to be analysed, considering likelihood and impact, as a basis for determining how they should be managed. Risk Assessment shall consists of a detailed study of threats and vulnerability and resultant exposure to various risks.

Risk Management and Risk Monitoring

In the management of Risk the probability of risk assumption is estimated with available data and information and appropriate risk treatments worked out in the following areas:

1. Economic Environment and Market conditions
2. Fluctuations in Foreign Exchange
3. Political Environment
4. Competition
5. Revenue Concentration



6. Inflation and Cost Structure
7. Technological Obsolescence
8. Financial Reporting Risks
9. Legal Risk
10. Compliance with Local Laws
11. Quality and Project Management
12. Environmental Risk Management

Risks specific to the Company and the mitigation measure to be adopted:

(a) Business dynamics & Operations Risks Risk mitigation measures:

The Company functions under a well-defined organization structure.

Flow of information is well defined to avoid any conflict or communication gap between two or more Departments.

Second level positions are created in each Department to continue the work without any interruption in case of non-availability of functional heads.

Proper policies are followed in relation to maintenance of inventories of raw materials, consumables, key spares and tools to ensure their availability for planned production programmes.

Effective steps are being taken to reduce cost of production on a continuing basis taking various changing scenarios in the market.

Customer Satisfaction in respect of Quality, Quantity and other business compliances. Long term customer relationship to be maintained.

New business avenues to be found and contingency plan in case of discontinuation of Customer to be prepared.

(b) Liquidity Risks

Risk Mitigation Measures:

Proper financial planning is put in place with detailed Annual Business Plans discussed at appropriate levels within the organisation.

Annual and quarterly budgets are prepared and put up to management for detailed discussion and an analysis of the nature and quality of the assumptions, parameters etc.

These budgets with Variance Analysis are prepared to have better financial planning and study of factors giving rise to variances.

Daily and monthly cash flows are prepared, followed and monitored at senior levels to prevent undue loss of interest and utilise cash in an effective manner.

Cash management services are availed from Bank to avoid any loss of interest on collections

Exposures to Foreign Exchange transactions are supported by LCs and Bank guarantees and steps to protect undue fluctuations in rates etc.

(c) Credit Risks:

Risk Mitigation Measures:

Systems put in place for assessment of creditworthiness of dealers/customers.

Provision for bad and doubtful debts made to arrive at correct financial position of the Company. Appropriate recovery management and follow up

(d) Market Risks / Industry Risks: Risk Mitigation Measures:

Raw materials are procured from different sources at competitive prices.

Alternative sources are developed for uninterrupted supply of raw materials.

Demand and supply are external factors on which company has no control, but however the Company plans its production and sales from the experience gained in the past and an on-going study and appraisal of the market dynamics, movement by competition, economic policies and growth patterns of different segments of users of company's products.

The Company takes specific steps to reduce the gap between demand and supply by expanding its customer base, improvement in its product profile, delivery mechanisms, technical inputs and advice on various aspects of, enhancement of capacity utilisation in customer-plants etc.

Proper inventory control systems have been put in place. Responsibility Structure

The Head of Operations (COO) shall be the Risk Management Head.

The COO shall be responsible for the implementation, identification and control measures for the risk at ground level.

Head- Marketing/ Business shall be responsible for creation, maintenance and compilation of all data including documents relating to the Risk Management and control measures of Risks.

Example: Documents relating to Insurance requirements, EPCG licenses, etc. till the conclusion of the necessary task/ project.

Head- Marketing/ Business shall review the same on regular interval due to close relations with Customers and shall ultimately report the same to the Compliance Officer for necessary reporting to the Stake Holders.

All the other departments and individual sections shall co-operate in setting these strategies (implementation and review).

All the other decisions involving significant risk associated with the business shall be reported to Board or the Audit Committee, where appropriate, for consideration and approval.

Reporting Significant Risk

The Head of the Department and Head of Operations (COO) shall determine the intensity of risks. The risks which are of higher impact shall be highlighted to the Management for further review.

Audit

The Finance Head or the Executive Director will make arrangements to audit the risk process for each Department as part of a regular cycle of audits and will report explicitly on the risk management processes to the Board.

Necessity of the Risk Management policy:

The Company is passing through many unidentified risks, which have adversely impacted the Company's performance. The Company still continues to be exposed to these unidentified risks which shall have an adverse impact on the Company's business in near future. Quantification of the impact of these risks is not possible at this stage. These unidentified risks are because of the failure to identify and control at the operational/ground level. The Company is facing problems relating to failure of Quality and Delivery compliances with customers on day to day basis.

Some of the examples of the discontinuation of customers due to the above referred problems, which had and still continue to have major impact on the business, are VCST, Volvo, Honeywell, Caterpillar, Hero Honda, etc.

While scrutiny of these failures, the Company has realised that these problems are not due to past legacies. These problems have currently arisen at ground level and intensified in the last 2-3 years' time

For and on behalf of the Board

Rohini G. Kalyani
Chairperson & Managing Director

Annexure 7**REPORT ON CSR ACTIVITIES/ INITIATIVES****[Pursuant to Section 135 of the Act & Rules made thereunder]**

1. A brief outline of the Company's CSR policy, including overview of the projects or programmes proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programmes

2. The composition of the CSR Committee:

Sr No	Name of Director	Category	Designation
1.	Mrs. Rohini G. Kalyani	Non-Independent Director	Chairperson
2.	Mr. Viraj G. Kalyani	Non-Independent Director	Member
3.	Mr. Pradip Nadkarni	Independent Director	Member

3. Average Net Profit of the Company for last 3 financial years: Rs. 2,07,18,998.76

4. Prescribed CSR expenditure (2% of amount) : Rs. 4,14,380/-

The Current CSR Expenditure: Rs. 4,14,380/-

5. Details of CSR Expenditure spent during the financial year.

(a) Total amount to be spent for the financial year : Rs 4,14,380/-

(b) Amount unspent if any: Nil

(c) Manner in which amount spent during the year is detailed below:

Sr. No	CSR Project or activity identified	Sector in which project is covered	Projects or programmes (1) Local areas or others (b) Specify the state and district where the programme or project was undertaken	Amount outlaying project or programme wise	Amount spent on the project or programs sub-heads (1) Direct expenditure on the projects or programs (2) Overheads	Cumulative expenditure upto reporting period	Amount spent Direct or through implementing agency
1	Donation to charitable trust	Women Cancer screening for Breast and cervical cancer with test such as 1.Clinical Breast Examination. 2.Mammography 3.Colposcopy	District:-Pune, Maharashtra	Rs 5. Lacs	Rs 5. Lacs	Rs 5. Lacs	Through, Prashanti Cancer care mission

Details of implementing agency:

Prashanti Cancer Care Mission (PCCM) is a well-known NGO in the culturally rooted city of Pune in the state of Maharashtra. This organization functions as a registered, public charitable trust mainly working in the area of providing affordable treatment and rehabilitation to cancer-affected women. With help from likeminded individuals and families of cancer-affected patients, PCCM was founded under the leadership of Dr. Chaitanyanand B. Koppiker, M.D., an internationally renowned Breast Onco-surgeon. Through its multipronged activities, PCCM has been serving over 8000 women annually in Pune city and surrounding areas since year 2000.

6. In case the company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board Report: Not applicable
7. A responsibility statement by the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

We hereby affirm that the CSR policy has been implemented and the CSR committee monitors the implementation of CSR projects and activities in Compliance with CSR objectives

Mrs. Rohini Gaurishankar Kalyani
(Chairperson/ Managing Director)
(DIN : 00519565)

Mrs. Rohini G. Kalyani
Chairperson of CSR Committee
(DIN : 00519565)

Annexure 8

**Statement of Particulars of employees pursuant to the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sr. No.	Name	Designation/ Nature of Duties	Remuneration Received [Rs.]	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held
1	2	3	4	5	6	7	8	9
NIL								

There are no employees whose salary is more than 5 Lacs / month.

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(1&2) Ratio of the remuneration of each director to the median remuneration of the employees of the Company and the percentage increase in remuneration of Directors & KMPs in the Financial Year :

Sr. No.	Name of the Director/KMP	Designation	Ratio of Remuneration of each Director to Median Remuneration of Employees	Percentage increase in Remuneration during FY 2016-17
1.	Mrs. Rohini G. Kalyani	Chairperson & Managing Director	16:1	65.32 %
2.	Mr. Viraj G. Kalyani	Executive Director	12:1	32.26%
3.	Mr. G.N. Kalyani	Non- Executive Director	1:1	230%
4.	Mr. Pradip Nadkarni	Independent Director	1:1	160.58%
5.	Mr. Abhijit Sen	Independent Director	1:1	1529%
6.	Mr. Vishwas Chitrao**	Independent Director	1:0.71	-
7.	Mr. Avinash Khare	Chief Financial Officer (CFO)	5:1	49.48%
8.	Mr. Chandranil Belvalkar*	Company Secretary & Compliance Officer	2:1	20%

**** Mr. Vishwas Chitrao was appointed as Independent Director during the year.**

Mr Abhijit Sen, Independent Director was appointed on 2nd February 2016 hence his previous remuneration is only for part of the year.

Salary of CFO for previous year was for part of the year

*** Salary of Company Secretary includes Salary of Current Company Secretary & Previous Company Secretary.**



3) Percentage increase in the median remuneration of employees in the financial year	-1%	
4) Number of permanent employees on the rolls of Company as at March 31, 2017	653	
5) Explanation on the relationship between average increase in remuneration and Company performance	Average decrease in remuneration was -1%. The turnover of the Company decreased by -1.77% & Profit Before tax increased by 229%	
6) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	Total Revenue	2,31,26,50,617
	Profit Before Tax	6,70,32,871
	Total Remuneratin to KMPs	78,38,901
	Total Remuneratin of KMPs as % to -	
	Total Revenue	0.34%
	Profit Before Tax	11.69%
7) i. Variations in the market capitalisation of the Company	The market capitalisation as on March 31, 2017 was Rs.134 crores (Rs.0.03 crores as at March 31, 2016)	
ii. Price Earnings ratio of the Company	28.52 as at March 31, 2017 and 77.56 as at March 31, 2016	
iii. Percentage increase over/decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year	The Company has come out with initial public offer (IPO) in March 1994. An amount of Rs. 55 invested in the said IPO would be worth Rs. 368 as on March 31, 2017 indicating compounded annual growth rate of 8.62% which is excluding dividend accrued thereon.	
8) Average percentile increase already made in the salaries of employees other than themanagerial personnel in the last financialyear and its comparison with the percentileincrease in the managerial remunerationand justification thereof and point out ifthere are any exceptional circumstances forincrease in the managerial remuneration	The Average increase in remuneration of the employees other than managerial personnel was 6 % as compared to the increase in the managerial remuneration by 59.38%. The managerial remuneration has increased mainly because of addition of one Independent Director and payment of Commission to Executive Directors (the commission to Executive Directors were not paid during previous year due to inadequacy of profit)	

9) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company

Names of the KMPs	Remuneration in FY 2016-17 (in Rs.)	Revenue (in Rs.)	Remuneration as % of revenue	Profit Before Tax (in Rs.)	Remuneration (as % of PBT)
Mrs. Rohini G. Kalyani	34,30,730	231,26,50,617	0.15	6,91,43,891	4.96
Mr. Viraj G. Kalyani	27,44,584	231,26,50,617	0.12	6,91,43,891	3.97
Mr. Avinash Khare (CFO)	11,87,856	231,26,50,617	0.05	6,91,43,891	1.72
Mr. Chandranil Belvalkar (CS)*	4,75,731	231,26,50,617	0.02	6,91,43,891	0.67

* Salary of Company Secretary includes Salary of Current Company Secretary & Previous Company Secretary.

10) The key parameters for any variable component of remuneration availed by the Directors	<p>Executive Directors - Nomination and Remuneration Committee determines the variable compensation annually based on their individual and organisation performance.</p> <p>Non-Executive Directors - Parameters such as responsibilities undertaken, Membership or Chairmanship of the Committees, time spent in carrying out duties etc.</p>
11) Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Not Applicable
12) Affirmation that the remuneration is as per the remuneration policy of the Company	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, KMPs and other employees.

For and on behalf of the Board

Place : Pune
Date : 23/05/2017

Rohini G. Kalyani
Chairperson & Managing Director
(DIN : 00519565)

Annexure 9**Highlights of Whistle Blower Policy**

1. The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.
2. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.
3. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman/Managing Director/Chairman of the Audit Committee in exceptional cases.
4. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

For and on behalf of the Board

Rohini G. Kalyani
Chairperson & Managing Director

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 & para C, D, & E of Schedule V of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy of Corporate Governance aims at establishing and practicing a system of good Corporate Governance which will assist the management in managing the Company's business in an efficient and transparent manner and provide the guidelines as to how the Company can be directed or controlled such that it can fulfill its goals and objectives in a manner that adds to the value of the Company and is also beneficial for all stakeholders in the long term. Core principles of Corporate Governance emerge the cornerstones of Company's governance philosophy, namely trusteeship, transparency, ethical corporate citizenship, empowerment, control and accountability. Company believes that the practice of each of these creates the right corporate culture that fulfills the true purpose of Corporate Governance.

2. BOARD OF DIRECTORS:

a) Composition and size of Board:

The Board of Directors of the Company has optimum combination of Executive and non – executive Directors who has in depth knowledge of business, in addition to the expertise in their areas of operation. As on 31st March 2017, the strength of the Board of Directors was Six Directors, of which four Directors are non – executive Directors including three Independent Directors.

b) Meetings of the Board of Directors:

During the year 2016-17, five Board Meetings were held on 16th April, 2016, 27th May 2016, 3rd August 2016, 11th November 2016 and 31st January 2017.

c) Directors Attendance Record and Directorships held:

The information on composition and category of the Board of directors as on 31st March 2017, attendance of each Director at Board Meetings held during the financial year 2016-17 and at the Annual General Meeting held on 2nd day of August, 2016, Directorship and committee positions in other Public Limited Companies of which the Director is a member/Chairman is as follows:

Name	Category	Number of Board Meetings held during the year 2016-17		Whether attended last AGM	No. of Directorship in other Public Ltd. Companies	Committee positions held in other Public Limited Companies	
		Held	Attended			Member	Chairperson
Rohini G. Kalyani	(Chairperson & Managing Director) Executive	5	5	Yes	-	-	-
Mr. G. N. Kalyani	Non- Executive	5	5	Yes	-	-	-
Mr. Viraj G. Kalyani	(Whole-Time Director) Executive	5	4	No	-	-	-
Mr. Pradip Nadkarni	Non-Executive Independent	5	4	No	-	-	-
Mr. Abhijit Sen	Non-Executive Independent	5	5	Yes	3	2	1
Mr. Vishwas Chitrao	(appointed w.e.f. 16 th April, 2016) Non-Executive Independent	5	4	Yes	-	-	-



None of the Directors on the Board is a member on more than ten committees and Chairman of more than five committees across all the Companies in which they are Directors. Only two Committees i.e. the Audit Committee and Investors Grievance Committee are considered for this purpose.

Mr. Vishwas Chitrao was appointed in the Board of Directors Meeting held on 16th April 2016.

d) Relationship between directors *interse*:

Mrs. Rohini G. Kalyani is wife of Gaurishankar N. Kalyani & Mr. Viraj G. Kalyani is son of Gaurishankar & Rohini Kalyani. Rest none of the directors are related with each other.

e) Number of share held by Non- Executive Director:

Covered in Annexure 1 of Board's Report i.e. Form MGT-9.

f) Code of Conduct:

The Board of Kalyani Forge Limited has laid down a Code of Conduct for all Board Members and Senior Management personnel of the Company. The Code of Conduct is available on the website of the Company, www.kalyaniforge.co.in All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct and the Managing Director has confirmed the same.

g) Particulars of Appointment / Re-appointment of Non-Executive and Executive Directors

The particulars of appointment/re-appointment of Non-Executive and Executive Directors are provided as Annexure – I to the Explanatory Statement annexed to the Notice of 38th Annual General Meeting and disclosed the relevant information as required hereunder pursuant to Regulation 17 of Listing obligation.

3. AUDIT COMMITTEE:

a) Brief Description and Terms of Reference:

The Audit Committee of the Company has been constituted in line with the provisions of Regulation 18 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with section 177 of Companies Act, 2013.

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures, transparency, integrity and quality of financial reporting.

The Audit Committee comprise of three members all of which are Non-Executive Directors.

Mr. Abhijit Sen as Independent Director is the Chairman of the Audit Committee. The meeting of Audit Committee are generally also attended by Managing Director, Whole time Director, Chief Financial officer (CFO), the Statutory Auditors and Internal Auditors. The Company Secretary of the Company also acts as the Secretary to the Committee.

As Mr. S. Ravindran chairman of Audit Committee resigned from the Board, the committee was re constituted and Mr Abhijit Sen an Independent Director was appointed as member and Chairman of Audit Committee in the Board Meeting held on 16th April 2016.

Terms of reference to Audit Committee cover the matters specified under Regulation 18 of the Listing Regulation 2015.

b) Composition and attendance at Audit Committee Meeting:

During the year under review four Audit Committee Meetings were held on 27th May 2016, 3rd August 2016, 11th November 2016 and 31st January 2017.

The composition of the Audit Committee as on 31st March, 2017 and attendance of members in the meetings held during the financial year 2016-17 is as under

Name of the Member	Category	No. of meetings attended (held=4)
Mr. Abhijit Sen	Chairman* Non – Executive & Independent Director	4
Mr. Pradip Nadkarni	Non – Executive & Independent Director	3
Mr. Gaurishankar N. Kalyani	Non – Executive Director	4

* Mr. Abhijit Sen was appointed as Chairman on 16th April 2016.

4. NOMINATION AND REMUNERATION COMMITTEE:

a) Brief Description and Terms of Reference:

The Nomination and Remuneration Committee of the Company has been constituted in line with the provisions of Regulation 19 of the Listing obligation read with section 178 of Companies Act, 2013. The purpose of the Nomination and Remuneration Committee of the Board is to discharge the Board's responsibilities relating to compensation of the Company's Executive Directors. The Committee has overall responsibility for approving and evaluating the Executive Directors compensation plans, policies and programs.

The Committee consists of three Non-Executive Directors out of which 2 are Independent Directors.

Mr. Pradip Nadkarni is the Chairman of the Nomination and Remuneration Committee. The Company Secretary of the Company also acts as Secretary to the Committee.

During the year, Mr. Abhijit Sen an Independent Director was appointed as member of nomination and remuneration Committee in the Board of Directors meeting held on 16th April 2016.

b) Composition and attendance at Nomination and Remuneration Committee Meeting:

During the year under review, four meetings of the Nomination and Remuneration Committee took place on 16th April 2016, 27th May 2016, 11th November 2016 and 30th January 2017.

The composition of the Nomination & Remuneration Committee as on 31st March, 2017 and attendance of members in the meetings held during the financial year 2016-17 is as under

Name of the Member	Category	No. of meetings attended (held=4)
Mr. Pradip Nadkarni	Chairman Non – Executive & Independent Director	4
Mr. Abhijit Sen	Non – Executive & Independent Director	4
Mr. Gaurishankar N. Kalyani	Non – Executive Director	4

c) Remuneration Policy:

The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice. While deciding on the remuneration for Directors, the Board and Nomination & Remuneration Committee consider the performance of the Company, the current trends in the industry, the director's participation in Board and Committee meetings during the year and other relevant factors. The performance of the Company and individual performance as well employees' potential, criticality and longevity in the grade are considered while determining remuneration to the Employees.

Company has complied with Regulation 19 the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.



d) Nomination and Remuneration Committee Charter:

Nomination and Remuneration Charter has been formed to help the Board to discharge their responsibilities to shareholders, the investment community and other stakeholders with respect to (i) preparations relating to the election of members of the Board of Directors (ii) handling matters within its scope of responsibility that relate to the conditions of employment and remuneration of senior management; (iii) setting the performance standards, budgets and targets for the Executive team of the Company; (iv) setting the compensation and performance bonuses of the Company's executive officers; (v) overseeing the Company's Human Resources and People strategy; (vi) Identifying independent Directors to be inducted to the Board from time to time; (vii) to recommend nomination for Chairmanship & memberships of various committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, etc functioning under the Board of Directors of the Company.

e) Remuneration to Directors:

The details of remuneration paid to the Directors are given in Form MGT-9 forming part of the Directors Report.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

a) Brief Description and Terms of Reference:

Stakeholders' Relationship Committee was constituted to look into Redressal of Shareholders and Investors' Complaint matters like non-receipt of annual report, non-receipt of dividend and to look into matters that can facilitate better services and relations.

The committee consists of three Non-Executive Directors out of which two are independent Directors.

Mr. Gaurishankar N. Kalyani is the Chairman of the committee.

During the year, Mr. Abhijit Sen an Independent Director was appointed as member of Stakeholders' Relationship Committee in the Board of Directors meeting held on 16th April 2016.

b) Composition and attendance at the Stakeholders' Relationship Committee:

During the year under review, two meetings of Stakeholders' Relationship Committee was held on 27th May 2016 and 30th January 2017.

The composition of the Stakeholders' Relationship Committee as on 31st March, 2017 and attendance of members in the meetings held during the financial year 2016-17 is as under:

Name of the Member	Category	No. of meetings attended (held=2)
Mr. Gaurishankar N. Kalyani	Chairman Non – Executive Director	2
Mr. Pradip Nadkarni	Non – Executive & Independent Director	2
Mr. Abhiji Sen (Appointed on 16 th April 2016)	Non – Executive & Independent Director	2

The Company has not received any complaints from shareholders during the year. There were no pending share transfer and complaints as on 31st March, 2017.

Company has complied with Regulation 20 the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015

6. DETAILS OF THE ANNUAL GENERAL MEETINGS:

The details of previous three annual general meetings of the Company are as follows:

Financial Year	Date and Time	Venue	Special Resolutions passed if any
2013-14	18 th September, 2014 at 11.00 A.M.	Poona Club Ltd; Camp Pune- 411001	-
2014-15	5 th September, 2015 at 11.00 A.M.	Poona Club Ltd; Camp Pune- 411001	1
2015-16	2 th August, 2016 at 11.00 A.M.	Poona Club Ltd; Camp Pune- 411001	1

No Extra Ordinary General Meeting was held during the year under consideration. All the requirements including the special resolution set out in the respective notices were passed by the shareholders.

During the financial year under review, no special resolutions have been passed by postal ballot.

7. DISCLOSURES:

a) Materially Significant Related Party Transactions:

For details regarding related party transactions, please refer notes to the financial statements saving those, there were no materially significant related party transactions with Company's promoters, directors or its management, their subsidiaries or relatives, etc that had a potential conflict with the interest of the Company. The register of contracts containing transactions, in which Directors are interested, is placed before the Board regularly. The policy on related party transaction is available on the website of the Company, www.kalyaniforge.co.in

b) Accounting Treatment:

No treatment different from that prescribed in an Accounting Standards has been followed by the Company.

c) Statutory Compliance, Strictures and Penalties:

The Company has complied with rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India and any other statutory authority relating to capital market.

During the year under review, no penalties and/or strictures have been imposed on the Company by any Stock Exchange or SEBI or any statutory authority during the last three years.

d) Secretarial Audit:

Pursuant to Regulation 7 of SEBI (Listing Obligation & Disclosure Requirement) with the Stock Exchanges, certificates, on half-yearly basis, have been issued by NMK & Associates, Company Secretaries-in-Practice for due compliance of share transfer formalities by the Company for half year ended 30th September 2016 and for the second half year ended 31st March 2017 was issued by HR & Associates, Practicing Company Secretary.

NMK & Associates, Company Secretaries-in-Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited ("Depositories") and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with Depositories).

For quarter ended 31st March 2017 the report was provided by HR & Associates, Practicing Company Secretary.

**e) Cost Audit:**

The Central Government has approved the appointment of Mr. Rahul Chincholkar as Cost Auditor of the Company for the financial year 2016-17.

f) Vigil mechanism

Your Company has laid down Whistle Blower Policy covering Vigil Mechanism with protective Clauses for the Whistle Blowers. As part of the Vigil Mechanism a dedicated telephone line and email address are provided. The Whistle Blower Policy is made available on the website of the Company.

8. MANAGING DIRECTOR / CFO CERTIFICATION:

The Managing Director and Chief Financial Officer have certified to the Board of Directors, inter alia, the accuracy of Financial Statements and adequacy of Internal Controls for the financial reporting purpose as required under Regulation 17 (8) of SEBI (Listing Obligation And Disclosure Requirement) Regulation, 2015, for the year ended 31st March, 2017

9. MEANS OF COMMUNICATION:

Quarterly and Half-yearly results are published in one of the renowned English and Marathi dailies, published from Pune. The results are also updated on Company's website, www.kalyaniforge.co.in. There is hardly any official news required to be released on website or even in Press.

10. GENERAL SHAREHOLDER INFORMATION**a) AGM Information and Financial Year:**

Day, Date and Time of AGM : 25th July, 2017

Venue : Poona Club Ltd., Camp, Pune – 411 001

Financial Year : 1st April 2016 to 31st March 2017

Date of Book Closure : 19th July, 2017 to 25th July 2017
(both days inclusive)

Dividend payment Details : Within 30 days after Annual General Meeting

b) Listing on Stock Exchanges and Scrip Code:

The Company's shares have been listed on the following exchanges:

- i. National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.

NSE Code: KALYANIFRG

- ii. Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.

Scrip Code BSE Code: 513509

Annual listing fees and custodian fees have been paid for the financial year 2017-18

c) Market Price Data:

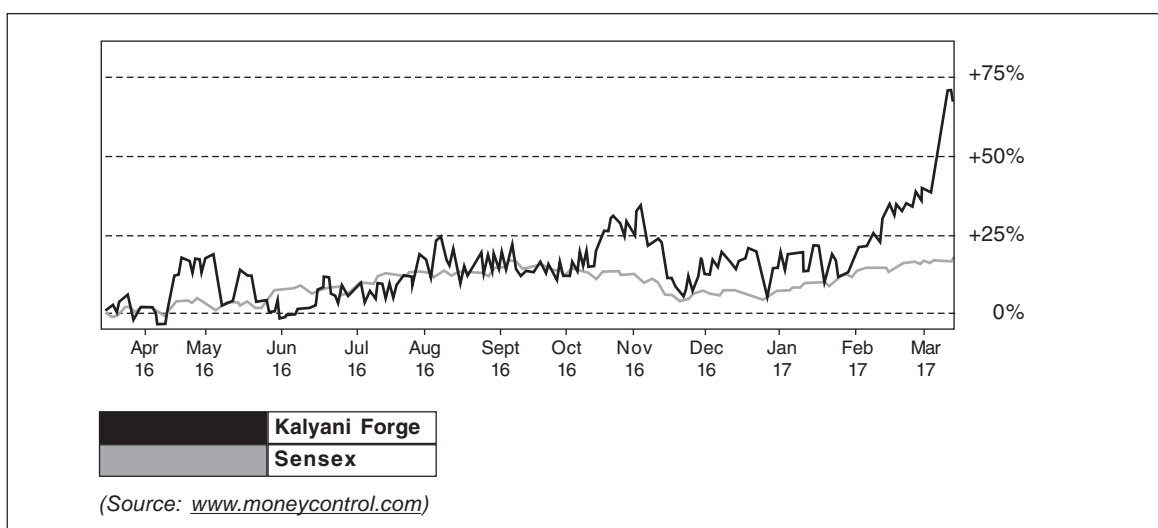
The monthly high and low quotations and volume of shares traded on BSE and NSE from 1st April, 2016 up to 31st March, 2017 is as follows:

Month	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
Apr-16	295.00	229.30	286.00	222.65
May-16	278.90	235	274.95	228.00
Jun-16	262.00	220.30	260.00	230.00
Jul-16	272.00	238.30	275.00	235.60
Aug-16	289.45	250.10	298.60	250.00
Sep-16	280.00	256.55	282.90	251.00
Oct-16	310.00	261.00	305.00	260.10
Nov-16	314.00	255.10	312.65	245.00
Dec-16	291.00	250.00	289.00	242.75
Jan-17	290.00	260.00	282.00	251.75
Feb-17	321.85	264.05	325.00	257.00
Mar-17	409.00	315.00	409.00	307.00

(Source: www.bseindia.com and www.nseindia.com)

d) Performance in comparison to the Board-based Indices:

Performance in comparison to BSE Sensex





e) Registrar & Share Transfer Agent and Share Transfer System:

Link Intime India Private Limited is the Registrar & Share Transfer Agent (RTA) of the Company in respect of the equity capital in demat and physical mode. They process share transfer and transmission on fortnightly basis. Their address is as follows:

Link Intime India Pvt. Ltd Block No.202, Second Floor, Akshay Complex, Off.Dhole Patil Road, Near - Ganesh Mandir Pune – 411 001 Tel/Fax - 020 26160084 E-mail: pune@linkintime.co.in	Link Intime India Pvt Ltd C-101, 247 Park L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Tel No : +91 22 49186270 Fax: +91 22 49186060 E-mail id : rnt.helpdesk@linkintime.co.in Website : www.linkintime.co.in
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f) Share Transfer System:

Transfer in physical form has to be lodged with Registrar and Share Transfer Agents. All shares received for transfer were registered and dispatched within thirty days of receipts, if the documents were correct and valid in all respects. The time taken to process dematerialization of shares is ten days upon receipt of documents from Depository Participant.

g) Shareholding pattern as on 31st March, 2017:

Category	Number of Shares	Percentage (%)
Promoter and Promoter Group	21,32,296	58.61
Non Resident Indians	5,658	0.15
Bodies Corporate	7,70,473	21.18
Resident Indians	14,91,061	
Financial Institutions/Banks/Trust	100	0.0027
Clearing Member	8,878	0.24

Non-Executive Directors Shareholding

Name	Number of Shares	Percentage (%)
G. N. Kalyani	47,020	1.29
Pradip P. Nadkarni	306	0.01

h) Distribution of Shareholding as on 31st March, 2017:

Sr. No.	Share Holding of Shares	Share Holder	Percentage of Total	Total Shares	Percentage of Total
1.	1 to 500	3,452	95.9422	3,25,594	8.9498
2.	501 to 1,000	72	2.0011	55,863	1.5355
3.	1,001 to 2,000	24	0.6670	34,183	0.9396
4.	2,001 to 3,000	8	0.2223	18,857	0.5183
5.	3,001 to 4,000	5	0.1390	19,129	0.5258
6.	4,001 to 5,000	1	0.0278	5,000	0.1374
7.	5,001 to 10,000	5	0.1390	30,306	0.8330
8.	10,0001 to *****	31	0.8616	31,49,068	86.5604
	Total	3,598	100	36,38,000	100.0000

i) Dematerialization of shares and liquidity:

Company's equity shares are being dealt with in dematerialized form and the ISIN is INE314G0104. As on 31st March, 2017, 27,83,723 (76.52%) Number of Shares is in demat form.

j) Outstanding GDR/Warrants or convertible bonds, conservation dates and likely impact on liquidity:

The Company has not issued any GDRs/ ADRs/ Warrants or other instruments, which are pending for conversion.

k) Plant Location:

Hot Forging Division (HFD) and Metal Forms Division (MFD)
Koregaon Bhima, Tal: Shirur, Dist.
Pune. Pin – 412 207.

Precision Auto comp Division,
Gat No. 914/1 & 2, Sanaswadi,
Tal: Shirur, Dist: Pune, Pin - 412 208

l) Financial Calendar of the Company relating to future immediate reporting:

The Financial year covers the period from 1st April 2017 to 31st March 2018. Financial Reporting for:

Quarter ending 30th June, 2017	Upto 14 th August, 2017
Half Year ending 30th September, 2017	Upto 14 th November, 2017
Quarter ending 31st December, 2017	Upto 14 th February, 2018
Year ending 31st March, 2018	Upto 30 th May, 2018
Annual General Meeting for the year ended March 31, 2018.	Upto 30 th September, 2018

m) Unclaimed Dividend:

All unclaimed/unpaid dividend amounts for the financial year 2008-09 have been transferred to Investor Education & Protection Fund and no claims will lie against the Company or the Fund in respect of the unclaimed amounts so transferred.

n) Address for Correspondence:**Registered Office:**

Kalyani Forge Limited
Shangrila Gardens, 'C' Wing, 1st Floor,
Opp. Bund Garden, Pune – 411 001

Factory:

Kalyani Forge Limited Koregaon
Bhima, Tal: Shirur Dist.- Pune,
Pin – 412 216
Phone: 02137-252335, 252755, 252757
Fax: 02137-252344, 252756

For effective and efficient Investor Grievance Management, the Company has dedicated E-mail Id investors@kforge.com.

All communications related to Non-receipt of Annual Report, Dividend Warrants, Share Certificates after transfer, etc. may be sent to both the above-mentioned e-mail address, as well as to the e-mail address of our Registrar and Share Transfer Agents, M/s. Link Intime India Pvt. Ltd, Pune, i.e., pune@linkintime.co.in

The Management Discussion & Analysis is annexed to the Directors Report, forming part of the Annual Report.



CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Kalyani Forge Limited

We have examined the compliance of conditions of Corporate Governance as stipulated at Para C of Schedule V in terms of regulations 34(3) and 53(f) of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (the 'Regulations') and the listing agreement of **Kalyani Forge Limited** with the stock exchanges for the year ended March 31, 2017.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On account of resignation of two independent directors in the previous year, the requirement of having at least half of the board to comprise of non executive, independent directors was not full filled for a brief period of 1st April, 2016 to 15th April, 2016. With the appointment of one non- executive, independent Director on the Board w.e.f. 16th April 2016 the same has been complied with.

Subject to above, in our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations, subject to above.

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

For M/s K.S. Aiyar & Co.
Chartered Accountants
Firm Registration No. : 100186W

Place: Pune
Date: May 23, 2017

Satish Kelkar
Partner
Membership No.: 38934

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT PURSUANT TO REGULATION 34(3) & SCHEDULE V PARA D OF THE (SECURITIES & EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

As required by Regulation 34(3) & Schedule V Para D of the (Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015), this is to confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company. The Code is available on the Company's website i.e www.kalyaniforge.co.in.

I confirm that the Company has in respect of the financial year ended 31st March, 2017, received from the senior management team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For Kalyani Forge Limited

Place: Pune
Date: 23/05/2017

Rohini G. Kalyani
Chairperson & Managing Director
(DIN : 00519565)

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATE

To,
The Board of Directors,
Kalyani Forge Limited.

As required by regulation 17(8) of the SECURITIES & EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015) to the best of our knowledge and belief, we certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 and that to the best of their knowledge and belief, we state that:
- (1) The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) The statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies
- D. We have indicated to the auditors and the Audit committee
- (1) Significant changes, if any, in internal control over financial reporting during the year;
 - (2) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For Kalyani Forge Limited,

Rohini G. Kalyani,
Chairperson & Managing Director

Place : Pune
Date : 23rd May, 2017

Avinash Khare
Chief Financial Officer



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KALYANI FORGE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Kalyani Forge Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the 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 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its 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 Government of India – Ministry of Corporate Affairs, in terms of sub-section (11) of section 143 of the Act, we enclose 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 those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2017 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".
- (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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 28.2 to Financial Statements;
 - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 28.11c to the Financial Statements.
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. the Company has provided requisite disclosures in its financial statements regarding Specified Bank Notes. There was no holding as well as no dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer note 28.14 to the financial statement.

For K. S. Aiyar & Co.
Chartered Accountants
ICAI Firm Registration No. 100186W

Satish Kelkar
Partner
Membership No.: 38934

Place: Pune
Date : May 23, 2017



ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on March 31, 2017, of **Kalyani Forge Limited**)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- (b) The Company has a program for physical verification of Fixed assets, which in our opinion is reasonable having regard to the nature of the business. Accordingly the Fixed assets have been verified by the management and no material discrepancies were noticed. In our view the frequency of verification needs improvement.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified during the year by the management. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clauses 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the provisions of section 185 and 186 of the Companies Act, 2013, with respect to the loans, investments guarantees and security are not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public and consequently the directives issued by the Reserve Bank of India, and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, with regard to the deposits accepted from the public are not applicable to the Company. According to the information and explanations given to us, no order has been passed by the Company Law Board, National Law Tribunal or Reserve Bank of India or any other court or any other tribunal.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under 148 (1) of the Act, and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanation given to us and the records of the company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it. According to the information and explanation given to us, no undisputed material amounts payable in respect of statutory dues were in arrears as at 31st March, 2017, for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the particulars of dues of income tax and excise duty as at 31st March, 2017 which has not been deposited on account of disputes are as follows:

Name of the statute	Nature of dispute due	Amount under dispute not deposited (Rs.)	Period to which the amount related	Forum where the dispute pending
Central Excise Act, 1944	Cenvat Credit on Rejection Received from customer	5,67,018	From 2000-01 to 2011-12	High Court, Mumbai,
	Cenvat Credit on outward transportation	11,28,985	From 2004-05 to 2007-08	Additional Commissioner, Pune.
	Interest on supplementary Invoices	4,25,113	From 2001-02 to 2004-05	High Court, Mumbai.
	Cenvat Credit on Rejection Received from customer	1,83,304	From 2008-09 to 2011-12	CESTAT Mumbai
Income Tax Act, 1961	Disallowance of Expenditure on expansion / upgradation of projects	6,95,976	AY 1992-93	High Court, Mumbai
	Loss on options settled.	17,64,485	AY 2008-09	CIT Appeals
	Expenditure incurred Bad debts	34,72,518	AY 2011-12	Commissioner of Income Tax (Appeals) Pune.
	Disallowance of 14(A) and Additional Depreciation (on Electrical Equip treated as plant)	4,33,788	AY 2012-13	Commissioner of Income Tax (Appeals) Pune
	Assessment complete, Order received with demand	22,85,651	AY 2013-14	Commissioner of Income Tax (Appeals) Pune

- (viii) In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or government as at the balance sheet date.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The term loans have been applied for the purpose for which they were obtained.
- (x) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds by or on the Company by its officers or employees noticed or reported during the year.
- (xi) In our opinion and according to information and explanations given to us, Managerial Remuneration has been paid or provided during the year in accordance with the requisite approvals mandated by provisions of section 197 read with Schedule V to the Companies Act 2013.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly clause 3 (xii) of the Order is not applicable to the Company.



- (xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made preferential allotment or private placement of share fully or partly convertible debentures during the year under review. The requirements of section 42 of the Companies Act, 2013, therefore are not applicable.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-I(A) of the Reserve Bank of India Act, 1934.

For K. S. Aiyar & Co.
Chartered Accountants
ICAI Firm Registration No. 100186W

Satish Kelkar
Partner
Membership No.: 38934

Place: Pune
Date : May 23, 2017

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT
of even date on the Financial Statements of Kalyani Forge Limited.**

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 **Kalyani Forge Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the 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. 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' 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 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 controls system 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 K. S. Aiyar & Co.

Chartered Accountants

ICAI Firm Registration No. 100186W

Place: Pune

Date : May 23, 2017

Satish Kelkar

Partner

Membership No.: 38934

Balance Sheet as at 31st March, 2017

Particulars	Note No.	As at 31 st March 2017 Rs.	As at 31 st March 2016 Rs.
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	1	3,63,90,000	3,63,90,000
(b) Reserves and surplus	2	98,56,43,794	94,01,12,336
		1,02,20,33,794	97,65,02,336
2. Non-current liabilities			
(a) Long-term borrowings	3	16,11,78,811	4,51,90,051
(b) Other non-current Liabilities	4	3,34,39,131	3,09,59,103
		19,46,17,942	7,61,49,154
3. Current liabilities			
(a) Short-term borrowings	5	41,29,00,543	29,37,31,357
(b) Trade payables	6	41,97,20,358	40,47,96,375
(c) Other current liabilities	7	30,72,55,787	21,75,27,264
(d) Short-term provisions	8	82,64,645	1,69,77,004
		1,14,81,41,333	93,30,32,000
TOTAL		2,36,47,93,069	1,98,56,83,490
II. ASSETS			
1. Non-current assets			
(a) Fixed assets			
Tangible assets	9	59,53,58,511	63,20,81,176
Intangible assets	10	60,27,277	62,50,407
Capital work-in-progress		29,74,42,826	8,09,39,292
Intangible assets Under Development		-	97,487
(b) Deferred tax Assets (net)	11	1,05,27,257	23,44,062
(c) Non-current investments	12	50,000	50,000
(d) Long-term loans and advances	13	12,39,34,592	22,82,308
(e) Other non-current assets	14	4,01,39,223	4,06,47,108
		1,07,34,79,686	76,46,91,840
2. Current assets			
(a) Inventories	15	44,86,76,026	37,13,03,851
(b) Trade receivables	16	61,76,88,970	61,69,03,065
(c) Cash and bank balances	17	2,30,45,769	10,22,49,291
(d) Short term loans and advances	18	18,96,85,168	10,98,44,474
(e) Other current assets	19	1,22,17,450	2,06,90,969
		1,29,13,13,383	1,22,09,91,650
TOTAL		2,36,47,93,069	1,98,56,83,490

Notes forming part of the financial statements and 28

Significant Accounting Policies

The accompanying notes and significant accounting policies are an integral part of the Financial Statements

As per our attached report of even date.

For and on behalf of the Board of Directors

FOR M/S K.S. AIYAR & CO.
Firm Registration Number :100186W
Chartered Accountants

ROHINI G. KALYANI
Chairperson & Managing Director
(DIN: 00519565)

ABHIJIT SEN
Director
(DIN: 00002593)

SATISH KELKAR
Partner
Membership Number : 38934
Pune: 23th May 2017

AVINASH KHARE
Chief Financial Officer

Pune: 23th May 2017

CHANDRANIL BELVALKAR
Company Secretary

Pune: 23th May 2017



Statement of Profit and Loss for the period ended 31st March, 2017

Particulars	Note No.	2016-17 Rs.	2015-16 Rs.
I. Revenue from operations			
Sale of products (gross)	20	2,50,62,12,680	2,52,08,08,476
Less : Excise duty		25,27,65,420	25,65,86,939
Net Sales		2,25,34,47,260	2,26,42,21,537
Other operating income		1,49,39,495	4,51,46,307
Net Revenue from operations.		2,26,83,86,755	2,30,93,67,844
II. Other income	21	4,42,63,862	2,82,88,334
III. Total revenue (I + II)		2,31,26,50,617	2,33,76,56,178
IV. Expenses:			
(a) Cost of materials consumed	22	1,14,37,28,393	1,15,48,67,410
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(8,27,58,335)	21,092
(c) Employee benefits expenses	24	30,59,46,213	28,09,70,823
(d) Finance costs	25	3,44,72,178	4,91,76,982
(e) Depreciation and amortization expenses	26	10,41,06,036	11,67,05,854
(f) Other expenses	27	74,01,23,261	71,55,31,326
Total Expenses (a to f)		2,24,56,17,746	2,31,72,73,487
V. Profit before exceptional and extraordinary items and tax (III-IV)		6,70,32,871	2,03,82,691
VI. Exceptional items		-	-
VII. Profit/(Loss) before tax (V-VI)		6,70,32,871	2,03,82,691
VIII. Tax expense :		2,15,01,413	93,50,557
(a) Current tax		2,96,84,609	2,32,40,882
(i) For the year		2,96,84,609	2,32,40,882
(ii) For earlier year			
(b) Deferred tax		(81,83,196)	(1,38,90,325)
IX. Profit/(Loss) for the period (VII-VIII)		4,55,31,458	1,10,32,134
XII. Earnings per equity share:			
(a) Basic		12.52	3.03
(b) Diluted		12.52	3.03

Notes forming part of the financial statements and Significant Accounting Policies 28

The accompanying notes and significant accounting policies are an integral part of the Financial Statements

As per our attached report of even date.

FOR M/S K.S. AIYAR & CO.
Firm Registration Number :100186W
Chartered Accountants

SATISH KELKAR
Partner
Membership Number : 38934
Pune: 23th May 2017

For and on behalf of the Board of Directors

ROHINI G. KALYANI
Chairperson & Managing Director
(DIN: 00519565)

AVINASH KHARE
Chief Financial Officer

Pune: 23th May 2017

ABHIJIT SEN
Director
(DIN: 00002593)

CHANDRANIL BELVALKAR
Company Secretary

Pune: 23th May 2017

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2016-17

	Rs.	31 st March 2017 Rs.	31 st March 2016 Rs.
A. CASH FROM OPERATING ACTIVITIES			
Profit before Taxation		6,70,32,871	2,03,82,691
Add: Depreciation	10,41,06,036		11,67,05,854
Provision for doubtful debts	1,08,67,000		2,40,00,000
Interest & finance charges	3,44,72,178		4,91,76,982
Advances Written off	99,58,146		
		15,94,03,360	18,98,82,836
		22,64,36,231	21,02,65,527
Less: Surplus on sale of assets during the year	5,29,296		13,92,232
Provision no longer required	3,25,82,692		2,28,75,428
		3,31,11,988	2,42,67,660
Operating profit before working capital changes		19,33,24,243	18,59,97,867
(increase)/Decrease in Current & Non-Current Assets			
Inventories	(7,73,72,175)		(2,76,19,573)
Sundry Debtors	(1,06,65,445)		(3,35,35,052)
Other Current Assets and Loans & Advances	5,89,86,234		21,62,341
Increase/(Decrease) in Current & Non-Current Liabilities	1,06,93,767		7,58,56,434
		(1,83,57,619)	1,68,64,150
Net cash generated from operations		17,49,66,624	20,28,62,017
Less : Income tax paid		2,01,78,485	1,06,03,252
NET CASH FROM OPERATING ACTIVITIES		15,47,88,139	19,22,58,765
B. CASH FROM INVESTING ACTIVITIES			
Expensed for Fixed Assets	(41,53,29,954)		(5,21,43,926)
Sale Proceeds of Assets	5,29,296		13,92,232
NET CASH FROM INVESTING ACTIVITIES		(41,48,00,658)	(5,07,51,694)
C. CASH FROM FINANCING ACTIVITIES			
Availment /(Repayment) in Cash Credit & PCFC from Banks	11,91,69,193		4,87,37,177
Availment /(Repayment) in Other Secured Loans	12,11,06,668		(9,08,74,841)
Availment /(Repayment) in Unsecured Loans	(1,31,46,563)		(1,49,88,474)
Interest & Finance Charges paid	(3,30,62,596)		(5,13,44,371)
Dividend paid	(88,19,562)		(95,112)
NET CASH FROM FINANCING ACTIVITIES		18,52,47,140	(10,85,65,621)
NET INCREASE/(USE) OF CASH AND CASH EQUIVALENTS		(7,47,65,379)	3,29,41,450
Opening Balances of Cash and Cash equivalents		8,66,54,194	5,37,12,744
Closing Balances of Cash and Cash equivalents		1,18,88,815	8,66,54,194

As per our attached report of even date.

FOR M/S K.S. AIYAR & CO.
Firm Registration Number :100186W
Chartered Accountants

SATISH KELKAR
Partner
Membership Number : 38934
Pune: 23th May 2017

For and on behalf of the Board of Directors

ROHINI G. KALYANI
Chairperson & Managing Director
(DIN: 00519565)

AVINASH KHARE
Chief Financial Officer
Pune: 23th May 2017

ABHIJIT SEN
Director
(DIN: 00002593)

CHANDRANIL BELVALKAR
Company Secretary
Pune: 23th May 2017



Note nos. 1 to 28 annexed to and forming part of the Financial Statements for the year ended 31st March, 2017

		As at 31 st March 2017 Rs.	As at 31 st March 2016 Rs.		
NOTE 1 : SHARE CAPITAL					
Authorised share capital					
75,00,000 (75,00,000) Equity shares of Rs 10/- each		7,50,00,000	7,50,00,000		
50,00,000 (50,00,000) Cumulative Redeemable Preference Shares of Rs 10/- each		5,00,00,000	5,00,00,000		
25,00,000 (25,00,000) Unclassified Shares of Rs 10/- each		2,50,00,000	2,50,00,000		
		<u>15,00,00,000</u>	<u>15,00,00,000</u>		
Issued share capital					
36,40,000 (36,40,000) Equity shares of Rs.10/- each		<u>3,64,00,000</u>	<u>3,64,00,000</u>		
Subscribed & fully paid-up Share Capital					
36,38,000 (36,38,000) Equity shares of Rs. 10/- each fully paid-up		3,63,80,000	3,63,80,000		
Forfeited Equity Shares					
Forfeited Equity Shares (Amount paid-up)		10,000	10,000		
2,000 (2,000) Equity Shares					
	Total	<u>3,63,90,000</u>	<u>3,63,90,000</u>		
1 Reconciliation of Equity Shares outstanding at the beginning and at the end of the Reporting period					
Particulars	31st March, 2017		31st March, 2016		
	No. of Shares	In Rs.	No. of Shares	In Rs.	
At the beginning of the period	36,38,000	3,63,80,000	36,38,000	3,63,80,000	
Issued / Reduction if any during the period	-	-	-	-	
Outstanding at the end of the period	<u>36,38,000</u>	<u>3,63,80,000</u>	<u>36,38,000</u>	<u>3,63,80,000</u>	
2 Terms/Rights attached to the equity shares					
The Company has only one class of equity shares having par value of Rs. 10/- each. Each equity holder is entitled to one vote per share and have a right to receive dividend as recommended by Board of Directors subject to the necessary approval from the shareholders.					
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.					
3 Shares held by holding/ultimate holding Company and/or their subsidiaries/associates					
NIL					
4 Number of Shares held by each shareholder holding more than 5% Shares in the company					
Sr. No.	Name of Shareholder	31st March, 2017		31st March, 2016	
		No. of Shares	% of Holding	No. of Shares	% of Holding
1.	Kalyani Consultants Pvt. Ltd.	3,77,280	10.37	3,77,280	10.37
2.	Bhalchandra Investments Ltd.	3,49,000	9.59	3,49,000	9.59
3.	Vakratund Investment Pvt. Ltd.	3,42,342	9.41	3,42,342	9.41
4.	Pax Investment Pvt. Ltd.	3,40,074	9.35	3,40,074	9.35
5.	Squirrel Financers and Investors Pvt. Ltd.	1,86,480	5.13	1,86,480	5.13
5 Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:					
NIL					

	As at 31 st March 2017 Rs.	As at 31 st March 2016 Rs.
NOTE 2 : RESERVES AND SURPLUS		
Capital reserve as per last year	25,00,000	25,00,000
Capital Redemption Reserve as per last year	10,00,000	10,00,000
Securities Premium as per last year	6,91,62,500	6,91,62,500
General reserve		
Opening balance	9,27,39,659	9,27,39,659
Add: Set aside this year	-	-
Closing balance	9,27,39,659	9,27,39,659
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	77,47,10,177	77,24,35,291
Add: Profit/(Loss) for the year	4,55,31,458	1,10,32,134
Balance available for appropriation	82,02,41,635	78,34,67,425
Less: Appropriations		
Transferred to general reserve	-	-
Proposed dividend	-	72,76,000
Tax on proposed dividend	-	14,81,248
Sub Total	82,02,41,635	77,47,10,177
Total	98,56,43,794	94,01,12,336

NOTE 3 : LONG - TERM BORROWINGS**Secured : Term Loan From Banks**

(i) State Bank of India (Note 1)	-	2,93,76,001
(ii) State Bank of India (Note 2)	14,77,65,542	-
Less: Classified as current maturities of long term debts	3,75,84,796	2,93,76,001
Subtotal	11,01,80,746	-
(iii) Indian Overseas Bank (Note 3)	1,37,09,803	4,20,72,043
Less: Classified as current maturities of long term debts	1,37,09,803	2,80,00,000
Subtotal	-	1,40,72,043
(iv) ICICI Bank (Note 4)	3,34,29,184	-
Less: Classified as current maturities of long term debts	4,02,564	-
	3,30,26,620	-
	14,32,07,366	1,40,72,043

Unsecured : Other Long Term Borrowing

Sales Tax Deferral Liability under Package Scheme of Incentives 1979, 1988 and 1993. -(Note 5)	3,11,18,007	4,48,91,602
Less: Classified as current maturities of long term debts	1,31,46,562	1,37,73,594
	1,79,71,445	3,11,18,008
Total	16,11,78,811	4,51,90,051

Terms of Repayment

- Term Loan of Rs. 15,00,20,860/- is availed from State Bank of India, IFB, Pune out of the total sanction limit at the rate of interest of 3% above base rate. Balance outstanding as on 31 March 2017 is Rs. NIL (P.Y. Rs. 2,93,76,001/- treated as current maturities of long term debt). Interest accrued and due on borrowing as on 31st March 2017 is NIL (P.Y. Rs. 3,46,836/-) This loan has been repaid repaid in 53 instalments starting from October 2012



2. Term Loan of Rs. 14,61,80,746/- (Sanction Rs. 25,00,00,000/-) is availed from State Bank of India, IFB, Pune out of the total sanction limit at the rate of interest of 2.10% above MCLR-1Y. Balance outstanding as on 31 March 2017 is Rs. 14,77,65,542/- (P.Y. Rs. NIL). Out of this, Rs. 3,60,00,000/- (P.Y. Rs. NIL) is treated as current maturities of long term debts as on 31 March 2017 is . In addition to this, Interest accrued and due on borrowings amounted to Rs. 15,84,796/- (P.Y. NIL). This loan is to be repaid in 56 instalments comprising of 44 instalments of Rs. 45 Lakh, 11 instalments of Rs. 43 Lakhs and 1 instalment of Rs. 47 Lakh starting from august 2017.
3. Term Loan of Rs. 111,718,988/- is availed from Indian Overseas Bank, Karve Road, Branch, Pune out of the total sanction limit at the rate of interest of 2.0% above base rate. Balance outstanding as on 31 March 2017 is Rs. 13,571,814/- (P.Y. Rs. 4,20,72,043/-). Out of this, Rs. 1,35,71,814/- (P.Y. Rs. 2,80,00,000/-) is treated as current maturities of long term debts as on 31st March 2017. In addition to this, Interest accrued and due on borrowings amounted to Rs. 1,37,989/- (P.Y. Rs. 4,25,953/-). This loan is to be repaid in 48 instalments starting from Oct 2013.
4. Buyer's Credit of Rs. 334,29,184/- (P.Y. NIL) is availed from ICICI Bank, Bundgarden Road, Pune out of the total sanction limit Rs. 5,00,00,000 at the Fixed Margin over USD London inter bank offer rate i.e. LIBOR .
5. Sales Tax Deferral Liability under package scheme of incentive 2001-02, 2002-03, 2003-04, 2004-05, 2005-06 31st March 2017 amounted to Rs. 3,11,18,007/- (P.Y. Rs. 4,48,91,602/-). Out of these, Rs. 1,31,46,562/- (P.Y. Rs. 1,37,73,594/-) is treated as current maturities of long term debts as on 31st March 2017. This liability is to be repaid within 5 years from 2012-13

Nature of security for Item no. (i), (ii), (iii) and (iv)

For the above Rupee Term Loans, the company has created the first charge in favour of lending banks by way of hypothecation of assets to be acquired out of bank finance as primary security and second pari passu charge by way of hypothecation/ mortgage on the present and future fixed assets including land and building situated at Sanaswadi and Koregaon Bhima, Pune as a collateral security.

	As at 31 st March 2017 Rs.	As at 31 st March 2016 Rs.
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NOTE 4 : OTHER NON-CURRENT LIABILITIES

Provision for employee benefits

Provision for gratuity (Refer note 28.5)	2,28,96,247	1,71,77,866
Provision for leave encashment (Refer note 28.5)	1,05,42,884	1,37,81,237
Total	3,34,39,131	3,09,59,103

NOTE 5 : SHORT-TERM BORROWINGS

Loans payable on demand : Secured

Cash credit from Bank - Foot Note - 1	28,69,16,908	23,23,48,301
ICICI Bank FCNRB - Foot Note -2	9,92,99,195	-
Packing credit foreign currency loan - Foot Note - 3	2,66,84,440	6,13,83,056
Total	41,29,00,543	29,37,31,357

Foot Notes :-

1. Company's fund and non fund based working capital facilities of Rs. 660,000,000 are secured by first charge by way of hypothecation on pari passu basis with existing working capital lenders (State Bank of India(Lead Bank), Bank of Maharashtra, IDBI Bank Ltd. and ICICI Bank Ltd.) over the company's entire current assets including stocks, WIP, receivables and finished goods and also the second charge on the whole of the fixed assets of the Company on pari passu basis with consortium working capital lenders.
2. The FCNRB loan is availed from ICICI Bank Ltd. at the rate of Interest of Fixed Margin over USD London inter bank offer rate i.e. LIBOR
3. The packing credit foreign currency loan is availed from Bank of Maharashtra and State Bank of India at the rate of Interest of Fixed Margin over USD London inter bank offer rate i.e. LIBOR

NOTE 6 : TRADE PAYABLES

Trade payables

Total
**As at 31st
March 2017
Rs.**
**As at 31st
March 2016
Rs.**

41,97,20,358	40,47,96,375
41,97,20,358	40,47,96,375

NOTE 7 : OTHER CURRENT LIABILITIES

Current maturities of long-term debts (Note 3)

Term Loan From Banks

Other Long term Borrowings

Interest accrued and due on borrowings

Unclaimed dividends (*)

Advances from customers

Due for capital purchases

Other payables

Statutory dues including provident fund and tax deducted at Source

Employee Benefits Payable

Other Liabilities

Total

4,99,74,378	5,73,76,001
1,31,46,562	1,37,73,594
21,82,371	7,72,789
6,53,03,311	7,19,22,384
5,84,151	6,46,465
45,97,530	36,10,070
14,12,68,183	4,92,733
43,94,673	5,10,56,019
1,79,46,084	2,29,12,115
7,31,61,855	6,68,87,478
30,72,55,787	21,75,27,264

(*) As at 31st March 2017 there are no amounts which were required to be transferred to Investor's education and protection Fund .

NOTE 8 : SHORT-TERM PROVISIONS**Provision for employee benefits**

Provision for gratuity (Refer note 28.5)

Less :- Non-current Liability

Subtotal

Provision for leave encashment (Refer note 28.5)

Less :- Non-current Liability

Subtotal

Others

Proposed dividend

Tax on proposed dividend

Subtotal

Total

2,90,13,744	2,26,17,340
2,28,96,247	1,71,77,866
61,17,497	54,39,474
1,26,90,032	1,65,61,519
1,05,42,884	1,37,81,237
21,47,148	27,80,282
-	72,76,000
-	14,81,248
-	87,57,248
82,64,645	1,69,77,004



NOTE : 9 - TANGIBLE & INTANGIBLE ASSETS

As On 31st March 2017

Fixed Assets	Land Freehold	Buildings	Roads	Borewell	Plant & Machinery	Electrical Installation	Factory Equipment	Laboratory Equipments	Furniture & Fixture	Office Equipment	Data Processing Equipment	Vehicles	Power Line *	Tangible Assets Total
Gross Block														
As At 31 March 2015	2,13,04,497	24,40,59,138	1,24,49,199	1,27,295	1,48,30,93,484	9,81,14,536	8,03,65,617	1,41,03,424	1,01,06,394	61,87,072	2,46,99,886	1,21,98,733	52,39,365	2,01,20,48,639
Additions	-	52,73,498	-	-	12,00,89,956	43,23,982	18,35,275	-	18,89,189	13,12,733	42,73,293	-	-	13,89,97,926
Deductions	-	-	-	-	1,42,38,443	-	-	-	2,07,326	-	-	-	-	1,44,45,769
As At 31 March 2016	2,13,04,497	24,93,32,636	1,24,49,199	1,27,295	1,58,89,44,997	10,24,38,518	8,22,00,892	1,41,03,424	1,17,88,257	74,99,805	2,89,73,179	1,21,98,733	52,39,365	2,13,66,00,796
Gross Block														
As At 31 March 2016	2,13,04,497	24,93,32,636	1,24,49,199	1,27,295	1,58,89,44,997	10,24,38,518	8,22,00,892	1,41,03,424	1,17,88,257	74,99,805	2,89,73,179	1,21,98,733	52,39,365	2,13,66,00,796
Additions	-	-	-	-	6,43,49,262	-	17,40,000	-	3,61,307	3,62,446	1,14,913	-	-	6,69,27,928
Deductions	-	-	-	-	55,33,419	-	-	-	-	-	-	6,93,437	-	62,26,856
As At 31st March 2017	2,13,04,497	24,93,32,636	1,24,49,199	1,27,295	1,64,77,60,840	10,24,38,518	8,39,40,892	1,41,03,424	1,21,49,564	78,62,251	2,90,88,092	1,15,05,296	52,39,365	2,19,73,01,869
Depreciation														
As At 31 March 2015	-	8,33,00,283	1,20,41,865	1,27,292	1,09,95,82,111	8,06,36,383	6,56,31,827	1,10,57,568	83,89,618	51,76,018	2,29,08,876	96,84,873	52,39,361	1,40,37,76,075
For The YEAR 2015-16	-	79,32,053	2,01,727	-	9,13,94,385	56,36,369	47,32,143	10,86,075	6,35,690	6,17,773	17,00,277	12,52,813	-	11,51,89,305
Deductions	-	-	-	-	1,42,38,435	-	-	-	2,07,325	-	-	-	-	1,44,45,760
As At 31 March 2016	-	9,12,32,336	1,22,43,592	1,27,292	1,17,67,38,061	8,62,72,752	7,03,63,970	1,21,43,643	88,17,983	57,93,791	2,46,09,153	1,09,37,686	52,39,361	1,50,45,19,620
Depreciation														
Upto 31 March 2016	-	9,12,32,336	1,22,43,592	1,27,292	1,17,67,38,061	8,62,72,752	7,03,63,970	1,21,43,643	88,17,983	57,93,791	2,46,09,153	1,09,37,686	52,39,361	1,50,45,19,620
For The YEAR 2016-17	-	79,35,801	2,01,727	-	8,14,77,518	38,38,296	41,44,026	5,07,680	5,53,575	5,22,495	32,19,855	12,49,617	-	10,36,50,590
Deductions	-	-	-	-	55,33,416	-	-	-	-	-	-	6,93,436	-	62,26,852
As At 31st March 2017	-	9,91,68,137	1,24,45,319	1,27,292	1,25,26,82,163	9,01,11,048	7,45,07,996	1,26,51,323	93,71,558	63,16,286	2,78,29,008	1,14,93,867	52,39,361	1,60,19,43,358
Net Block														
As At 31st March 2017	2,13,04,497	15,01,64,499	3,880	3	39,50,78,677	1,23,27,470	94,32,896	14,52,101	27,78,006	15,45,965	12,59,084	11,429	4	59,53,58,511
As At 31st March 2016	2,13,04,497	15,81,00,300	2,05,607	3	41,22,06,936	1,61,65,766	1,18,36,922	19,59,781	29,70,274	17,06,014	43,64,026	12,61,047	4	63,20,81,175

NOTE : 10 - INTANGIBLE ASSETS**As On 31st March 2017****Fixed Assets**

	Intangible Assets	Intangible Assets Total	Total Fixed Assets (Note 9 & 10)
Gross Block			
As At 31 March 2015	75,87,401	75,87,401	2,01,96,36,040
Additions	27,69,537	27,69,537	14,17,67,463
Deductions	-	-	1,44,45,769
As At 31 March 2016	1,03,56,938	1,03,56,938	2,14,69,57,734
Gross Block			
As At 31 March 2016	1,03,56,938	1,03,56,938	2,14,69,57,734
Additions	2,32,316	2,32,316	6,71,60,244
Deductions	-	-	62,26,856
As At 31st March 2017	1,05,89,254	1,05,89,254	2,20,78,91,123
Depreciation			
As At 31 March 2015	25,89,983	25,89,983	1,40,63,66,058
For The YEAR 2015-16	15,16,548	15,16,548	11,67,05,853
Deductions	-	-	1,44,45,760
As At 31 March 2016	41,06,531	41,06,531	1,50,86,26,151
Depreciation			-
Upto 31 March 2016	41,06,531	41,06,531	1,50,86,26,151
For The YEAR 2016-17	4,55,446	4,55,446	10,41,06,036
Deductions	-	-	62,26,852
As At 31st March 2017	45,61,977	45,61,977	1,60,65,05,335
Net Block			
As At 31st March 2017	60,27,277	60,27,277	60,13,85,788
As At 31st March 2016	62,50,407	62,50,407	63,83,31,583



As at 31 st March 2017 Rs.	As at 31 st March 2016 Rs.
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NOTE 11 : DEFERRED TAX ASSETS (NET)

As required by Accounting Standard (AS 22) "Taxes on Income" prescribed by Companies (Accounting Standards) Amendment Rules, 2006, the Company has recognised deferred taxes, which result from timing differences between book profits and tax profits for the period, the details of which are as under -

(i) Deferred Tax Assets		
a Privilege Leave and Gratuity Provision	1,37,87,268	1,15,60,743
b Provision for Doubtful debts & advances	1,24,51,718	91,56,628
Total (a+b+c+d) [i]	2,62,38,987	2,07,17,371
(ii) Deferred Tax Liabilities		
Depreciation & Amortisation	1,57,11,730	1,83,73,310
Deferred Tax Asset (Net) [i-ii]	1,05,27,257	23,44,062

NOTE 12 : NON-CURRENT INVESTMENTS (AT COST)

	Face Value Per Unit		
	Rs.	No.	No.
NON TRADE - Unquoted			
The Shamrao Vithal Co-operative Bank Ltd	25	2,000 50,000	2,000 50,000
Total		50,000	50,000

**NOTE 13 : LONG-TERM LOANS AND ADVANCES
(unsecured and considered good)**

Capital advances	12,39,34,592	21,29,075
Loans to employees	-	1,53,233
Total	12,39,34,592	22,82,308

NOTE 14 : OTHER NON-CURRENT ASSETS

Others		
Other bank balances (Deposits with maturity of more than 12 months)	10,35,167	8,05,444
Claims/Refund receivable	3,82,05,707	3,93,86,099
Sundry Deposits	8,98,349	4,55,565
Total	4,01,39,223	4,06,47,108

NOTE 15 : INVENTORIES (NOTE 28.1 : 1.4)

	As at 31 st March 2017 Rs.	As at 31 st March 2016 Rs.
Raw materials, at cost	13,78,35,464	13,44,45,623
Work-in-progress, at cost	20,47,15,755	12,13,72,952
Finished goods, at lower of cost or market value	1,36,36,512	2,09,54,518
Excise duty on Inventory	6,99,735	24,59,808
Stores, spares, etc. at cost	3,83,13,577	4,19,42,883
Loose tools	2,20,29,577	1,95,07,277
Scrap at estimated realisable value	1,77,04,193	1,20,38,811
Die Room Inventory:		
Dies at cost	38,37,020	38,37,020
Die Blocks, Die Steel and Dies under fabrication, at cost	99,04,193	1,28,55,323
Stock of shares, units of mutual funds (at lower of cost or market value)	-	18,89,636
Total	44,86,76,026	37,13,03,851

NOTE 16 : TRADE RECEIVABLES**Outstanding for a period exceeding six months from the date they are due for payment**

Unsecured, considered doubtful	3,76,64,000	2,76,97,000
Less :- Provision for doubtful Debts	3,76,64,000	2,76,97,000
Subtotal	-	-
Unsecured, considered good	9,09,93,685	7,55,32,335
Subtotal	9,09,93,685	7,55,32,335
Other receivables		
Unsecured, considered good	52,66,95,285	54,13,70,730
Total	61,76,88,970	61,69,03,065

NOTE 17 : CASH AND BANK BALANCES**Cash and cash equivalents**

Cash on hand	37,074	2,46,011
Deposits of original maturity of less than 3 months	11,56,660	4,33,83,539
Subtotal	11,93,734	4,36,29,550
Balance with Bank		
Current accounts	1,01,10,700	4,23,78,179
Unpaid dividend accounts	5,84,381	6,46,465
Subtotal	1,06,95,081	4,30,24,644
Other bank balances		
In Margin Money Deposit pledged as Security with Banks	1,11,56,954	1,55,95,097
Subtotal	1,11,56,954	1,55,95,097
Total	2,30,45,769	10,22,49,291

As at 31st March 2017 Rs.	As at 31st March 2016 Rs.
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NOTE 18 : SHORT-TERM LOANS AND ADVANCES**Loans and advance to suppliers**

Unsecured, considered Good	13,65,58,546	17,98,271
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Loans and advance to employees

Unsecured, considered good	25,60,880	41,20,557
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Bal with collectorate of central excise and customs

	94,90,684	1,08,00,837
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VAT/ Excise Receivable

	1,86,09,339	5,26,68,919
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Tax paid in advance (net)

	55,93,963	1,51,00,088
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Other loans & advances

Prepaid Expenses	22,55,010	34,71,632
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Others Advances	1,46,16,746	2,18,84,170
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	1,68,71,756	2,53,55,802
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Total	18,96,85,168	10,98,44,474
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NOTE 19 : OTHER CURRENT ASSETS

Export incentive receivable	1,04,08,446	1,86,26,159
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Interest receivable	14,03,672	11,86,596
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Deposits	-	4,72,882
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Other receivables	4,05,332	4,05,332
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Total	1,22,17,450	2,06,90,969
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	2016-17	2015-16
	Rs.	Rs.
NOTE 20 : REVENUE FROM OPERATIONS		
Sale of products (gross)	2,50,62,12,680	2,52,08,08,476
Less : Excise duty	25,27,65,420	25,65,86,939
Net Sales	2,25,34,47,260	2,26,42,21,537
Operating income		
Die development charges	10,00,000	42,88,500
Export incentives	1,00,61,617	97,50,200
Gain on foreign exchange fluctuations, net	-	2,29,78,833
Miscellaneous receipts	38,77,878	81,28,774
Subtotal	1,49,39,495	4,51,46,307
Total	2,26,83,86,755	2,30,93,67,844
NOTE 21 : OTHER INCOME		
Interest		
On others	63,02,489	19,48,225
Discount received	40,18,262	10,26,114
Miscellaneous income	8,31,123	10,46,335
Surplus on sale of assets	5,29,296	13,92,232
Provisions no longer required written back	3,25,82,692	2,28,75,428
Total	4,42,63,862	2,82,88,334
NOTE 22 : COST OF MATERIALS CONSUMED		
(a) Raw materials consumed		
Opening stocks	13,44,45,623	11,08,49,693
Add : Purchases	1,13,49,80,938	1,15,80,10,047
Less : Stocks at close	13,78,35,464	13,44,45,623
Subtotal	1,13,15,91,097	1,13,44,14,117
(b) Dies consumed		
Opening stocks		
Dies	38,37,020	38,37,020
Die Blocks, Die Steel and Dies under fabrication	1,28,55,323	1,82,86,885
	1,66,92,343	2,21,23,905
Add: Purchases and processing charges	91,86,166	1,50,21,731
Sub total	2,58,78,509	3,71,45,636
Less: Stock at close		
Dies	38,37,020	38,37,020
Die Blocks, Die Steel and Dies under fabrication	99,04,193	1,28,55,323
Sub total	1,37,41,213	1,66,92,343
Subtotal	1,21,37,296	2,04,53,293
Total	1,14,37,28,393	1,15,48,67,410

2016-17**2015-16****Rs.****Rs.****NOTE 23 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

(Increase)/decrease in stocks

Stocks at close:

Work-in-process

20,47,15,755

12,13,72,952

Finished goods

1,36,36,512

2,09,54,518

Scrap

1,77,04,193

1,20,38,811

23,60,56,460

15,43,66,281

Less : Opening stocks

Work-in-process

12,13,72,952

12,52,76,508

Finished goods

2,09,54,518

85,45,518

Scrap

1,20,38,811

2,11,72,184

15,43,66,281

15,49,94,210

(8,16,90,179)

6,27,929

Shares, Units of Mutual Funds

Stock at close

-

18,89,636

Less: Stock at commencement

18,89,636

18,89,636

(18,89,636)**-**

Increase/(Decrease) in excise duty on stocks

Excise duty on opening inventories

17,45,628

23,52,465

Excise duty on closing inventories

25,67,108

17,45,628

8,21,480

(6,06,837)

(8,27,58,335)

21,092

Total

2016-17	2015-16
Rs.	Rs.

NOTE 24 : EMPLOYEE BENEFITS EXPENSE

Salaries, Wages, Gratuity, Bonus, Commission, etc	25,68,71,986	24,40,33,108
Contribution to provident and other funds	2,25,21,300	1,37,98,068
Welfare Expenses	2,65,52,927	2,40,58,061
Total	30,59,46,213	28,18,89,237

NOTE 25. : FINANCE COSTS

Interest expense	3,24,53,241	4,64,62,489
Other borrowing cost		
Bank charges, commission etc	75,92,427	46,97,183
Applicable Net (Gain)/loss on foreign currency transaction and translation	(55,73,490)	(19,82,690)
Total	3,44,72,178	4,91,76,982

NOTE 26 : DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation		
Tangible assets	10,36,50,590	11,51,89,306
Intangible assets	4,55,446	15,16,548
Total	10,41,06,036	11,67,05,854

2016-17

2015-16

Rs.

Rs.

NOTE 27 : OTHER EXPENSES**Manufacturing Expenses**

Stores, spares and tools consumed	15,26,67,011	14,36,81,222
Processing charges	14,58,35,162	13,93,66,882
Power and fuel	22,77,28,213	21,48,85,940
Repairs to building	50,37,917	28,13,726
Repairs to machinery	5,63,06,866	5,07,06,342
Freight Charges	1,96,43,374	1,62,49,176
Other manufacturing expenses	20,54,440	26,72,135
Sub total	60,92,72,983	57,03,75,423

Selling Expenses

Freight and forwarding	2,70,59,129	4,73,85,681
Royalty, technical and license fees etc.	25,000	50,000
Other selling expenses	12,28,949	27,12,875
Sub total	2,83,13,078	5,01,48,556

Administration Expenses

Rent	3,12,000	-
Rates and taxes	39,31,544	6,23,101
Insurance (Including Keyman Insurance)	42,34,719	65,65,720
Other repairs and maintenance	22,21,896	28,03,805
Travelling and conveyance	54,21,140	44,57,173
Vehicle Expenses(Including on hired vehicles)	1,37,40,312	1,36,68,603
Professional & consultancy fees	1,30,43,827	1,15,46,894
Auditor's remuneration	17,37,671	19,89,786
Director's Sitting Fees	3,76,000	2,78,000
Donation	-	1,00,000
Non executive directors' commission	21,11,020	2,03,000
Miscellaneous expenses	2,10,45,866	2,78,52,851
Provision for doubtful debts	1,08,67,000	2,40,00,000
Sundry debit balances written off	99,58,146	-
loss on foreign exchange fluctuations, net	1,35,36,059	-
Sub total	10,25,37,200	9,40,88,933
Total	74,01,23,261	71,46,12,912

NOTE TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2017

NOTE NO. 28

1. Statement on Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements:

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, except for the change in accounting policy explained in paragraph II below

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities.

1.2 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revisions to accounting estimates are recognized prospectively in future periods.

1.3 Fixed Assets and depreciation:

a) Fixed Assets are stated at their original cost of acquisitions including incidental expenses related to acquisition and installation of the concerned assets (including cost of specific borrowings). The fixed assets manufactured by the Company are stated at manufacturing cost. Fixed Assets are shown net of accumulated depreciation, except free hold land, which is at cost.

b) Expenditure on New Projects and Expenditure during the construction etc:-

In case of new projects and in case of substantial modernization or expansion at the existing units of the company, expenditure incurred including interest on borrowings and financing cost of specific loan, prior to the commencement of commercial production is being capitalized to the cost of asset. Trial run expenditure is also capitalized.

c) Intangible assets are recorded at the consideration paid for acquisition. Expenditure incurred in development phase, where it is reasonably certain that outcome of development will be commercially exploited to yield future economic benefit to the company is considered as an intangible asset. Such developmental expenditure is capitalized at cost including share of allocable expenses.

d) Depreciation / Amortization on Assets (other than Freehold Land):

Pursuant to enactment of the companies act 2013 (the 'Act'), the company has revised useful life of its fixed assets as per provision of schedule II of the said act. Accordingly the company provides depreciation on all its assets on the "straight Line Method" in accordance with the said act.

Cost of Power line is being amortized over a period of seven years when put to use.

Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, commencing from the date the asset is available to the Company for its intended use.



1.4 Inventories:

- a) Stores and spares, raw materials and components are valued at cost or net realizable value whichever is lower, Cost of Inventories has been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.
- b) Cost of Raw materials, Stores, Spares etc. are ascertained on weighted moving average basis.
- c) Work-in-process, Dies under fabrication and Finished Goods are valued at the lower of cost or realizable value.
- d) Scrap and Non-moving semi-finished goods, slow-moving and obsolete items, are valued at cost.
- e) Stock of Trial Product is valued at cost.
- f) Dies are valued at cost.
- g) Die Block and Die Steel are valued at material cost.
- h) Goods in transit are stated at actual cost up to the date of Balance Sheet.
- i) Shares, Units of Mutual Funds shown as stock in trade are valued at cost or market value whichever is lower.

1.5 Research & Development expenditure:

Research and Development expenditure is charged to Profit & Loss Account under the respective heads of account in the year in which it is incurred. However expenditure incurred at development phase, where it is reasonably certain that the outcome of research will be commercially exploited to yield economic benefit to the Company, is considered as an intangible asset. Fixed Assets purchased for Research and Development are treated in the same way as any other Fixed Asset.

1.6 Share Issue expenses are written off over a period of ten years.

1.7 Employee Benefits:

- a) Short term employee benefits

All employee benefits payable within 12 months of rendering the service are classified as short term benefits. Such benefits include salary, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc and the same are recognized in the period in which the employee renders the related service.

- b) Provident Fund -

Benefits in the form of Provident Fund and Pension Scheme whether in pursuance of law or otherwise which are defined contributions is accounted on accrual basis and charged to profit and loss account of the year.

- c) Gratuity –

The employees' gratuity fund scheme is Company's defined benefit plan. Payment for present liability of future payment of gratuity is being made to the approved gratuity funds under cash accumulation policy of the Life Insurance Corporation of India. The Employees' gratuity, a defined benefit plan, is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance Sheet and shortfall in the fair value of the Planned Asset is recognized as obligation.

- d) Privilege Leave Benefits -

Privilege leave benefits or compensated absences are considered as long term unfunded benefit and is recognized on the basis of an actuarial valuation using the Projected Unit Credit Method determined by an appointed Actuary.

- e) Termination Benefits –

Termination benefits such as compensation under voluntary retirement scheme are recognized as liability in the year of termination.

1.8 Foreign Currency Transactions

a) Initial recognition –

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of transaction.

b) Conversion –

Current Assets and Current Liabilities, Secured Loans designated in foreign currencies are revalored at the rate prevailing on the date of Balance Sheet or forward contract rate or other appropriate contracted rate.

c) Exchange Differences -

Exchange difference arising on the settlement and conversion on foreign currency transactions are recognized as income or as expenses in the year in which they arise.

d) Option Contracts –

Company uses foreign exchange option contracts to hedge its exposures against movements in foreign exchange rates. Foreign exchange option contracts are not used for trading or speculation purpose. Outstanding foreign exchange option contracts on the date of Balance Sheet are “Marked to Market”.

1.9 Investments:

Investments which are readily realizable and are intended to be held for not more than one year from the date on which investments are made are classified as current investments. Such investments are stated at cost, adjusted for diminution in their value.

Long Term investments are valued at cost of acquisition less diminution in the value, if determined to be of permanent nature.

1.10 Revenue Recognition:

a) Domestic sales are accounted for when dispatched from the point of sale, consequent to property in goods being transferred.

b) Export sales are accounted on the basis of the dates of Bill of Lading/ Other delivering documents as per terms of contract.

c) Export incentives:

Export incentives are accounted for on Export of goods if the entitlement can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.

d) Dividend is accrued in the year in which it is declared, whereby right to receive is established.

1.11 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non cash nature and any deferral or accruals of past or future cash receipts or payments. The cash flows from regular operating, investing and financing activities of the Company are segregated.

1.12 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with bank. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value.

1.13 Borrowing Costs:

Borrowing Costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized till the month in which the asset is ready to use, as part of the cost of that asset. Other borrowing costs are recognized as expenses in the period in which these are incurred.

**1.14 Taxation:**

- a) Current tax is determined on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.
- b) Deferred Tax is recognized, subject to the consideration of prudence in respect of deferred tax asset, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

1.15 Earnings per share:-

The basic & diluted earning per share is computed by dividing the net profit or loss attributable to equity shareholder for the period by the weighted average number of equity shares outstanding during the period.

1.16 Impairment of Assets:

The Management assesses for any impairment of assets or cash generating units, if indicators, external or internal, suggest possibilities of reduction in net realizable value of assets or value in use of cash generating units below their carrying costs. Impairments, if any, will be recognised in the Profit and Loss Account.

1.17 Provisions and Contingent Liability:-

Provisions are recognized when the company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are determined based on the best estimate required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimates. A disclosure of contingent liability is made where there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

2 Contingent Liability not provided for in respect of :

	As at 31 st March, 2017 Rs.	As at 31 st March, 2016 Rs.
i. Bills discounting	-	437,487
ii. Claims against the Company, not acknowledged as debts	22,919,500	82,122,700
iii. Disputed Income Tax demand, matter under appeal	8,652,418	10,006,477
iv. Disputed Excise demand, matter under appeal	6,267,730	7,628,035
v. In respect of export obligation under EPCG	105,724,837	88,430,986
vi. In respect of Bank Guarantee (*)	59,266,500	30,782,132

* Guarantees given by the Company's Bankers on behalf of the Company, against sanctioned guarantee limits aggregating to Rs.15,00,00,000 (Previous year Rs.3,00,00,000) for contracts undertaken by the Company and other matters are secured by extension of charge by way of joint hypothecation of stock in trade, stores and spares etc., book debts subject to prior charge in their favour. Amount outstanding as on 31st March, 2017 is Rs. 5,92,66,500/- (Previous year Rs. 3,07,82,132).

3	Estimated Amount of contracts remaining to be executed on Capital Account and Not provided for (net of advances)	7,358,489	64,000
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4	Payments to Auditors	2016-17 Rs.	2015-16 Rs.
	Statutory audit	850,000	850,000
	Tax Audit	150,000	150,000
	In Other Capacity :		
	For Limited Review & Others	500,000	500,000
	For Expenses	131,060	-
	Total	1,631,060	1,500,000

5 Disclosure pursuant to Accounting Standard (AS 15) - Revised 2005 "Employee Benefits" prescribed by Companies (Accounting Standards) Amendment Rules, 2006

a) Details of Long Term Employees benefits determined by an appointed Actuary are as follows :

Funded Scheme - Gratuity.

Particulars	31 st March 2017 Gratuity	31 st March 2016 Gratuity
(i) Amounts to be recognised in Balance Sheet		
a. Present Value of Defined Benefit Obligations		
Funded	29,013,744	38,768,406
b. Fair Value of Plan Assets	17,813,992	16,151,066
c. Net Asset /(Liability) recognised in the Balance Sheet	(11,199,752)	(22,617,340)
(ii) Amount to be recognised in Statement of Profit & Loss Account		
a. Current Service Cost	3,206,010	3,260,484
b. Interest on defined benefit obligations	2,910,461	2,744,895
c. Expected return on planed assets	(1,348,369)	(1,267,043)
d. Net Actuarial Losses/(Gain) Recognised in year	(13,018,644)	(2,405,575)
Total, included in "Employee Benefits"	(8,250,542)	2,332,761



	31 st March 2017 Gratuity	31 st March 2016 Gratuity
(iii) Change in Defined Benefit obligation and reconciliation thereof		
a. Present value of Defined Benefit obligation at the beginning of the year	38,768,406	35,190,962
b. Interest Cost	2,910,461	2,744,895
c. Current Service Cost	3,206,010	3,260,484
d. Actuarial Losses/ (Gains)	(12,961,522)	(2,427,935)
e. Benefits Paid		-
f. Present value of Defined Benefit obligation at the close of the year	29,013,744	38,768,406
(iv) Change in the fair value of Plan Assets and the reconciliation thereof		
a. Fair value of Plan Assets at the beginning of the Year	16,151,066	14,906,383
b. Add : Expected return on Plan Assets	1,348,369	1,267,043
c. Add/ (Less) : Actuarial Losses/ (Gains)	57,122	(22,360)
d. Add : Contributions by employer	3,295,212	-
e. Less -Benefits Paid	(2,909,611)	-
f. Mortality charges and taxes	(128,166)	
g. Fair value of Plan Assets at the closed of the year	17,813,992	16,151,066
(v) Broad Categories of plan assets as a percentage of total assets as at 31st March, 2017		
a. Insurer Managed Funds	100%	100%
TOTAL	100%	100%
b) Unfunded scheme- Long Term Compensated Absences		
Present Value of Unfunded Obligations(Leave salary)	12,690,032	16,561,519

6 Movement in Leave Encashment (Long Term & Short Term Compensated Absences)

Year	Opening Balance Rs.	Addition (Net) Rs.	Closing Balance Rs.
2016-17	16,561,519	(3,871,487)	12,690,032
2015-16	15,251,444	1,310,075	16,561,519

- 7 The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March, 2017

The disclosure pursuant to the said Act is as under :

Particulars	As at 31-03-2017	As at 31-03-2016
Principal Amount due to suppliers under MSMED Act, 2006, beyond the appointed day	2,702,236	1,514,885
Interest accrued and due to suppliers under MSMED Act, on the above amount	143,174	272,679
Payment made to suppliers (other than interest) beyond the appointed day, during the year	10,461,870	4,066,180
Interest paid to suppliers under MSMED Act (Other than section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for the payments already made	609,198	641,677
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	752,371	914,356

Note: The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.

- 8 CIF Value of Imports and Expenditure in Foreign Currencies

Particulars	2016-17 Rs.	2015-16 Rs.
(a) CIF Value of Imports		
Capital Goods	70,005,275	-
Stores & Spare Parts/ Lubricants	47,813,450	36,526,550
Raw Material	-	-
(b) Expenditure in Foreign Currencies		
Travelling		191,626
Interest	2,465,291	-
Export Sales Commission	956,416	725,807
Professional fees	233,200	-
Processing charges outside		-

- 9 Prior period items (net) 426,530 499,867

- 10 Earnings in Foreign Currencies

FOB Value of Exports	196,911,135	230,438,865
Deemed Export	206,304,025	231,095,885
Insurance and freight on exports	978,636	752,642

- 11 Exchange Differences on account of fluctuation in Foreign Currency rates.

a) Exchange Differences on account of fluctuations in Foreign Currency Rates		
i) On settlement / revalorisation of Current Assets & Current Liabilities	7,962,569	22,978,833



b) Foreign Exchange Derivatives not hedged at close of the year

i) Exposures not hedged at the close of the year

	Currency	2016-17	2015-16
Receivables	USD	1,108,399	1,407,984
	EURO	300,930	298,179
	JPY		-
Payables	USD	482,320	171,665
	EURO	56,135	174,969
	JPY	25,296,773	11,574,251
	AUD		199,740

c) Foreign Exchange Derivatives hedged at close of the year

i) Exposures hedged at the close of the year

	Currency	2016-17	2015-16
Receivables	USD	406,775	687,494
	EURO	-	144,778
	JPY		
Payables	USD	1,507,309	-
	EURO	-	-

12 (a) The Company has a single Product, viz : "Forgings". Consequently, there are no Reportable Segments of the Company as per the Accounting Standard (AS-17) "Segment Reporting" prescribed by Companies (Accounting Standards) Amendment Rules, 2006.

(b) Disclosures of transactions with Related Parties as required by Accounting Standard - 18 "Related Party Disclosures" is given below.

Related parties as defined under clause 3 of the Accounting Standard have been identified on the basis of representations made by the Key Managerial Personnel, information available with the company and taken on record by the Board.

Sr. No.	Nature of relationship / Name of related party	Nature of Transaction	2016-17		2015-16	
			Transaction Value (Rs.)	Outstanding Amounts carried in the Balance Sheet (Rs.)	Transaction Value (Rs.)	Outstanding Amounts carried in the Balance Sheet (Rs.)
1	Key Managerial Personnel Mrs. R. G. Kalyani (Chairperson and Managing Director)					
		Salary	2,075,220	172,935	2,075,220	172,935
		Commission	1,355,510	1,355,510	-	-
		Total	3,430,730	1,528,445	2,075,220	172,935
2	Relative of Key Managerial Personnel Mr. Viraj G. Kalyani (Executive Director)					
		Salary	2,075,220	172,935	2,075,220	172,935
		Commission	669,364	669,364	-	-
		Total	2,744,584	842,299	2,075,220	172,935
3	Relative of Key Managerial Personnel Mr. G.N. Kalyani (Director)					
		Commission	200,000	248,465	48,465	48,465
		Sitting fees	102,000	-	43,000	-
		Total	302,000	248,465	91,465	48,465

Sr. No.	Nature of relationship / Name of related party	Nature of Transaction	2016-17		2015-16	
			Transaction Value (Rs.)	Outstanding Amounts carried in the Balance Sheet (Rs.)	Transaction Value (Rs.)	Outstanding Amounts carried in the Balance Sheet (Rs.)
4	Enterprise in which Key Managerial Person is common NSF Trust					
		Rent	312,000	312,000	-	-
		Total	312,000	312,000	-	-
5	Enterprise in which Key Managerial Person is common Kalyani Property Pvt. Ltd.					
		Royalty	25,000	75,000	25,000	50,000
		Total	25,000	75,000	25,000	50,000
6	Enterprise in which Key Managerial Person is common Kalyani Consultant Pvt Ltd					
		Expenses Reimbursement	-	3,627,712	-	3,627,712
		Total	-	3,627,712	-	3,627,712

- 13 The Company has sent balance confirmation letters to Sundry Debtors, Creditors and Other Parties and the balances are under reconciliation in those cases where confirmations were received. Pending final reconciliation, the balances in respect of Debtors, Creditors and third parties are as per books of account only. Adjustments having an impact of revenue nature, if any, will be made in the year in which the same are confirmed/reconciled.
- 14 During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	-	13,947	13,947
(+) Permitted receipts	-	152,000	152,000
(-) Permitted payments	-	(73,807)	(73,807)
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on December 30, 2016	-	92,140	92,140

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.



15 Turnover and Stock

(Amount in Rs.)

Sr. No.	Class of goods	Sales Value	Closing Stock Value	Opening Stock Value	WIP Value
1	High Quality Close Tolerance Die Forgings 2015-16	1,397,684,287 1,005,271,182	6,785,961 10,473,182	10,473,182 7,226,416	153,553,488 70,743,090
2	Finished Machined Components 2015-16	711,368,836 1,091,491,137	6,850,550 10,481,336	10,481,336 1,319,102	37,532,283 28,344,050
3	Sale- Manufacturing Scrap 2015-16	143,694,402 167,459,218	- -	- -	- -
4	Others 2015-16	699,735 -	- -	- -	6,712,208 22,285,812
	Total 2015-16	2,253,447,260 2,264,221,537	13,636,512 20,954,518	20,954,518 8,545,518	197,797,979 121,372,952

16	Earnings Per Share:	2016-17	2015-16
	Earnings attributable to the equity share holder	45,531,458	11,032,134
	Total weighted average No. of shares	3,638,000	3,638,000
	Earnings Per Share	12.52	3.03

17 The Board of Directors has recommended dividend for the current year of Rs. 3/-per equity share (Nominal value Rs.10/-per equity share)subject to approval of members at the ensuing Annual General Meeting of the Company.

18 Expenditure on Corporate Social Responsibility activities :

- Gross amount required to be spent by the Company during the year is Rs.4,14,380/-.
- During the year 2015-16 we made payment of Rs.5,00,000/- to 'Prashanti 'an association for Cancer Care for general public. The institute is situated flat no. 1-2, Kapilvastu, Senapati Bapat Road, Next to Ratna Hospital, Pune - 411016. We are monitoring the activities carried out by this Prashanti Cancer Care Mission.

Also we are in process of finding other activities eligible as the CSR activities and will spend balance amount during the year 2017-18.

19 Previous Year's figures have been regrouped wherever necessary to make them comparable with those of the current year.

As per our attached report of even date.

FOR M/S K.S. AIYAR & CO.
Firm Registration Number :100186W
Chartered Accountants

SATISH KELKAR
Partner
Membership Number : 38934
Pune: 23th May 2017

For and on behalf of the Board of Directors

ROHINI G. KALYANI
Chairperson & Managing Director
(DIN: 00519565)

AVINASH KHARE
Chief Financial Officer

Pune: 23th May 2017

ABHIJIT SEN
Director
(DIN: 00002593)

CHANDRANIL BELVALKAR
Company Secretary

Pune: 23th May 2017

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Notes :

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KALYANI FORGE LIMITED

(CIN: L28910MH1979PLC020959)

Regd. Office: Shangrila Gardens, "C" Wing,
1st floor, Opposite Bund Garden, Pune 411 001

E-mail : investors@kforge.com, Website : www.kalyaniforge.co.in

Form no. MGT -11**PROXY**[Pursuant to Section 105 (6) of the Companies Act,2013 and rule 19(3) of
the Companies (Management and Administration)Rules,2014].

Name of the member(s) _____

Registered address _____

E-mail ID _____

Folio / DP ID & CL ID No. _____

I/We being the member(s) _____ 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: _____

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 38th Annual General Meeting of the Company, to be held on Tuesday, 25th day of July 2017 at 11:00 a.m. at Poona Club Ltd., 6 Bund Garden Road, Pune 411 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Res No	Resolution	For	Against
1	To receive, consider and adopt the Balance Sheet as at 31st March, 2017 and Profit & Loss Account as on that date together with reports of Directors and Auditors thereon.		
2.	To declare a dividend on equity shares.		
3.	To appoint a Director in place of Mrs. Rohini G. Kalyani (DIN: 00519565) who retires by rotation and being eligible, offers herself for re-appointment.		
4.	Ratification of Appointment of Statutory Auditors from the conclusion of the ensuing annual generalMeeting till the conclusion of next Annual General Meeting.		
5.	Ratification of remuneration of Mr. Rahul A. Chincholkar, Cost Accountant, Pune as Cost Auditors for the Financial Year commencing from 01.04.2017.		

Signature of Shareholder

Signed this _____ day of _____ 2017.

Please Affix
Re. 1/-
Revenue
Stamp
here_____
Signature of first Proxy holder_____
Signature of second Proxy holder_____
Signature of third Proxy holder

Note:

1. Please put a tick mark “✓” in the appropriate column against the respective resolutions. If you leave the ‘For’ or ‘Against’ column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
2. 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.
3. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

KALYANI FORGE



ANNUAL REPORT 2017

KALYANI FORGE



KALYANI FORGE LIMITED
(CIN : L28910MH1979PLC020959)

Shangrila Gardens, 'C' Wing, 1st Floor,
Opp. Bund Garden, Pune - 411 001.
Website: www.kalyaniforge.co.in